

#1 Online Auto Classifieds platform in Mexico, Ecuador & Peru
#1 Vehicle Transaction Marketplace in Mexico & Ecuador



NEW PRODUCT RELEASE

Motorfy Garantias – Extended Warranty
August 2018

Contents



Executive Summary	3
LAA - Leading Vehicle Transaction Marketplace	4
Two Types of Cross Sell Products	5
New Product: Motorfy Extended Warranty	6
Product Description	7
Product Benefits	8
Distribution Channels	9
Product Partner	10
Significant Adressable Market	11
Transaction Marketplace App	12
Cross Sell Revenue Momentum	13
Motorfy Dealer Uptake	14
High Cross Sell Earnings Leverage	15

For personal use only

Executive Summary



- LAA has partnered exclusively with SNG Group to offer “Motorfy Garantias”, used vehicle extended warranties as part of the Motorfy cross sell product suite
- Distribution is through the LAA dealer network as either in conjunction with Motorfy Credit, or individually as a stand alone product
- Significant addressable market, with an estimated 6.4 million used car sales annually in Mexico
- Vehicle quality concerns are a common issue in the Mexican used car market
- When sold in conjunction with Motorfy Credit, revenue to LAA for each extended warranty product increases total ARPU for a loan and associated products by 23%¹
- When sold individually, each extended warranty product generates revenue to LAA equivalent to 2.2x the average monthly classifieds only package
- The product is integrated directly to the Company’s payment getaway and internal CRM, and will automatically form part of any financed vehicle through Motorfy, unless the customer chooses to opt out
- This new extended warranty product release expands LAA’s vehicle transaction marketplace product offering



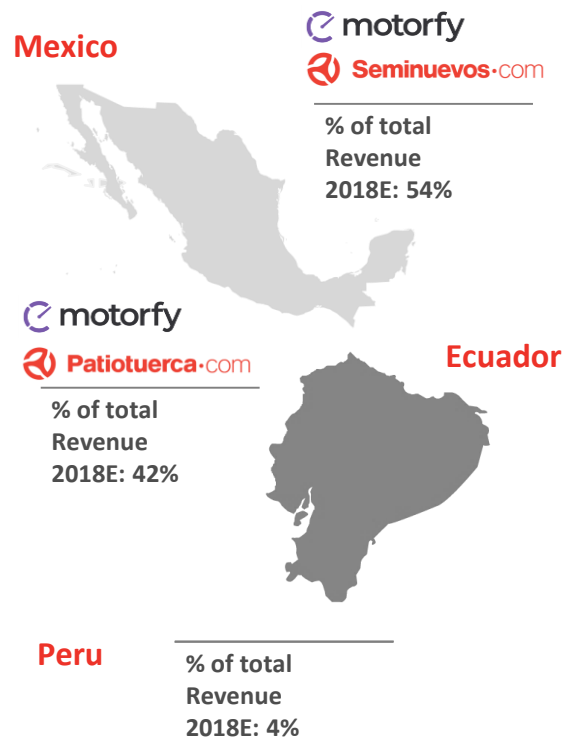
Note 1: ARPU calculated as sum of all revenues to LAA related to Motorfy Credit including loan, insurance, GPS tracking and extended warranty commissions. ARPU in A\$ varies according to average loan size and currency translations

LAA - Leading Vehicle Transaction Marketplace in Mexico and Ecuador

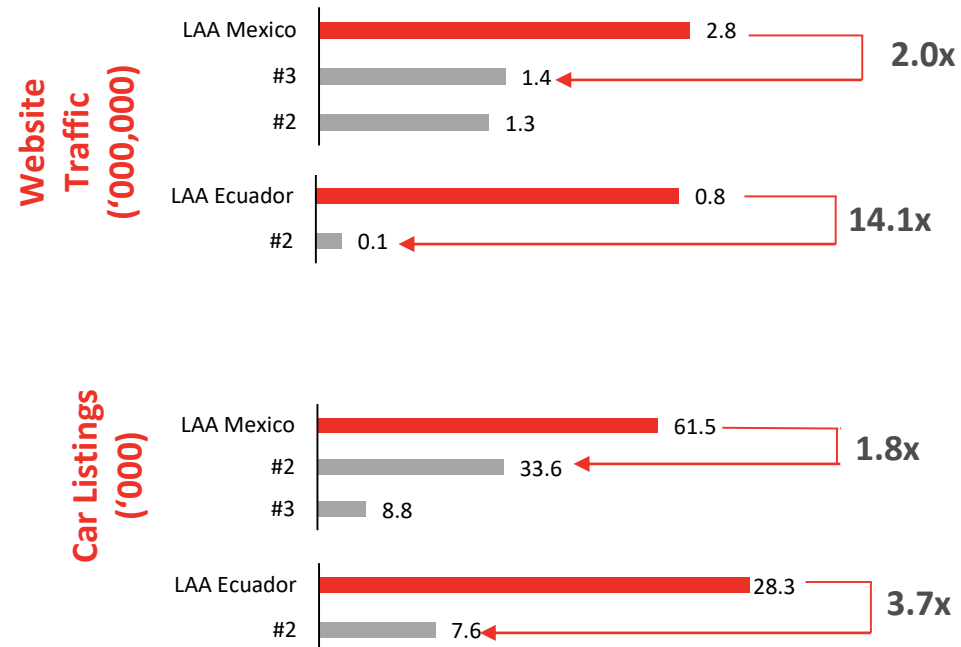


After successfully developing its position as the leading dedicated online auto classifieds platform in Mexico and Ecuador, Latam Autos has now become a complete vehicle transaction marketplace

MEXICO AND ECUADOR FOCUS¹



LEADING MARKET POSITIONS^{2, 3}



1. Revenue by country percentage estimated 2018. 2. Traffic source: Similarweb.com, traffic (organic and paid) as of Jun-2018. Similarweb.com is a third party service provider that provides estimates only, actual results may be significantly different to similarweb estimates. 3. Listings for competitors from each website as at Jun-2018

Two Types of Cross Sell Products: Vehicle Finance and Vehicle Products



VEHICLE TRANSACTION MARKETPLACE

LAA is executing the 3rd stage of its strategy:

- **Stage 1** – Acquiring cornerstone businesses
- **Stage 2** – Building leading market positions

Stage 3:
**VEHICLE TRANSACTION
MARKETPLACE**

CROSS SELL PRODUCTS (MOTORFY):

VEHICLE FINANCE

1. Current loan product
2. Others to come

VEHICLE PRODUCTS

1. Insurance
2. GPS tracking
3. **Used car extended warranties**
4. Others to come

New product: Motorfy Extended Warranty



PRODUCT OVERVIEW

- Motorfy Extended Warranty protects car buyers from unforeseen issues in either a 1 or 2 year plan
- The buyer is protected against any hidden major damage
- Extended warranties will be issued through a fully integrated white label platform
- Commercialization through two channels (Dealers and Motorfy Finance)
- Through the financing channel, the extended warranty will be paid for as a part of the loan
- In addition, this product will also be offered as a standalone product within the Motorfy app





PRODUCT DESCRIPTION

Engine

All lubricated internal parts: engine block, oil pump, camshaft, rocker arms, rods, rings, cylinder liners, engine head, pinions, push buttons, crankshaft, valves, metals, water pump and lubrication system

Manual and Automatic Gearbox

All internal components

Electric System

Alternator, coil, engines: starter, wiper and windshield sprinkler, electric glass engine, fuel opening engine and external rearview mirror motor



Braking System

Brake booster, master cylinder, ABS system, module and sensors

Steering System

Steering box, steering column, electric assistance pump

Engine Oil System

Injectors, fuel pump, valve, air flow and pressure regulator

Cooling System

Water pump, thermostat, temperature sensor, radiator and electric fan motor

Suspension

Stabilizer bar, bushings and springs



PRODUCT BENEFITS

DEALER BENEFITS

- Innovative product for used cars
- Included within financing product
- Loyalty after sale
- No inspection required
- Simple and effective processes
- Dealer commissions

CUSTOMER BENEFITS

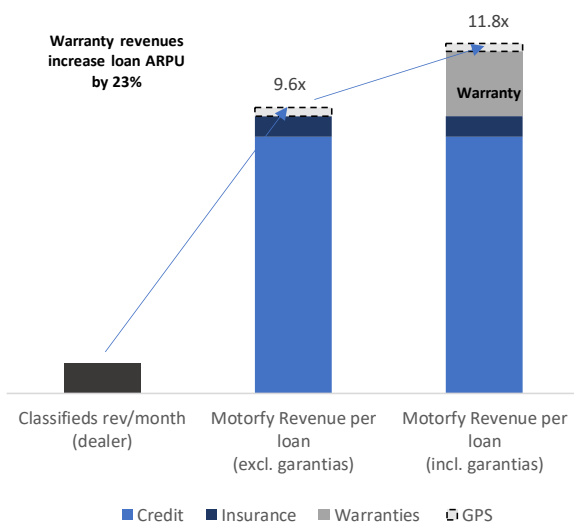
- No excess on claims up to ≈US\$5000
- Included within financing product
- Ensures the proper functioning of the vehicle
- Prevention against unexpected expenses
- Nationwide coverage



DISTRIBUTION CHANNELS

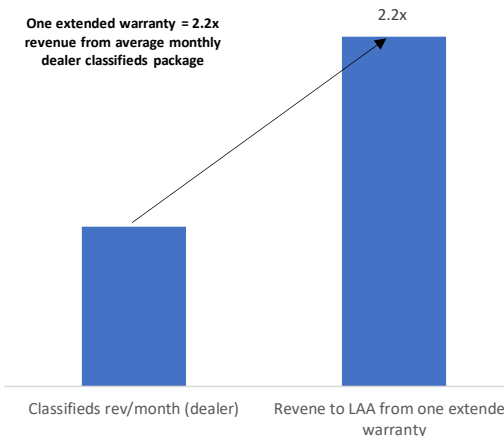
MOTORFY CREDIT (LOANS)

- Extended warranty to be offered as part of Motorfy Credit (loans)
- Increase overall loan ARPU to LAA by 23%¹



DEALER (STAND ALONE)

- Dealer customers of LAA may offer extended warranties for every vehicle sold, with or without a loan sold in conjunction



Notes 1: ARPU calculated as sum of all revenues to LAA related to Motorfy Credit including loan, insurance, GPS tracking and extended warranty commissions. ARPU in A\$ varies according to average loan size and currency translations. 2. Management estimates



LAA has an exclusive distribution arrangement with an established product partner

PRODUCT PARTNER

- SNG is an auto warranty manager for new and used vehicles.
- Founded 30 years ago and with presence in Europe, Mexico and Brazil
- SNG is part of Peñaverde group with 60 years of presence in Mexico
- Owns insurance and reinsurance companies that supports SNG products
- https://www.bloomberg.com/quote/PV*:MM



Significant Addressable Market



Large, youthful Mexican market

- Population of 125 million with 111 million smart phones
- 2.2 million people per year becoming licensed drivers
- More than half the population is under 30, median age of 27

Large car finance opportunity

- Mexican market estimated revenue potential of \$500m
- Estimated ~4 million new and used car loans per year in Mexico alone
- 1.6 million new car sales , 67% of all new cars financed

Undeveloped credit & insurance market

- Mexico credit and insurance penetration low compared to peers
- LAA is creating new finance products in conjunction with its funding partners. The traditional funding sources have been cash or consumer loans

Revenue Potential

- Extended Warranty to be included on all Motorfy financed vehicles, increasing ARPU earned by LAA by ~23%
- Sold via LAA dealer channel as well as a stand alone product
- LAA earns fixed fee per policy sold
- Average commission earned by LAA on one policy = 2.2x average monthly classifieds only dealer subscription

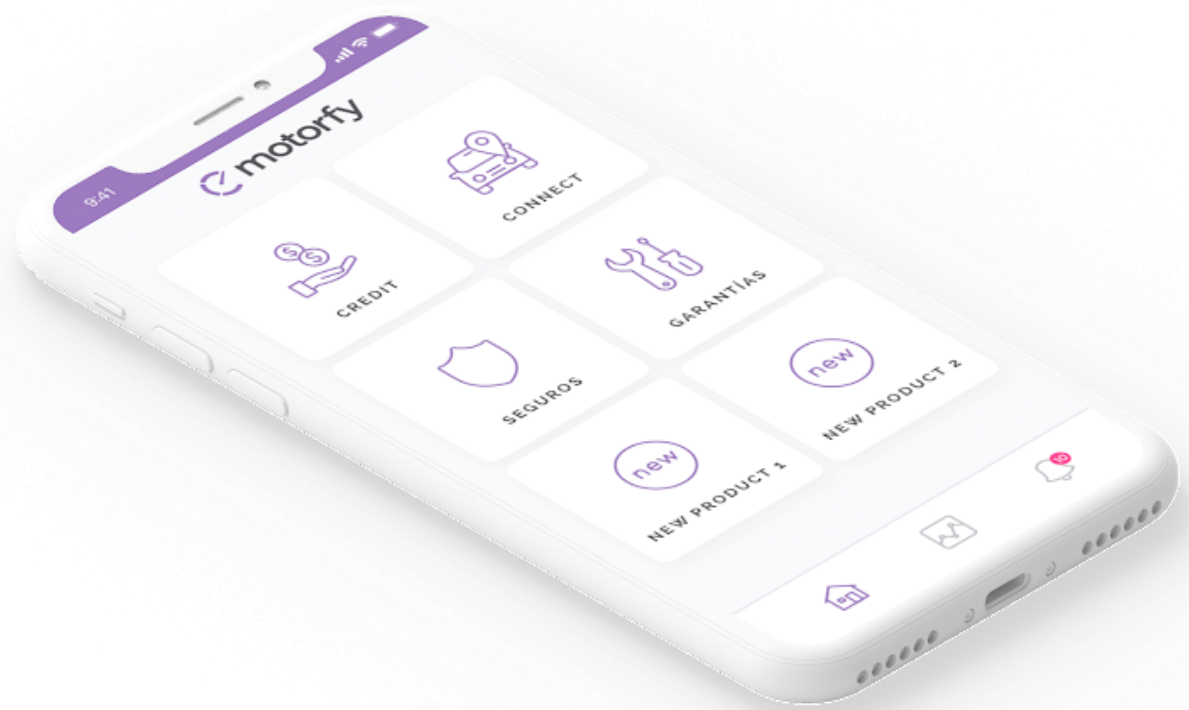
Outlook

- User base grown to ~300 car dealers using Motorfy platform, growing strongly
- Expect ongoing growth in total dealers using Motorfy and number of loans per month per dealer (both increased 177% and 27% respectively since 4Q17)
- Estimated 6.4 million used car transactions p.a. in Mexico alone



OVERVIEW

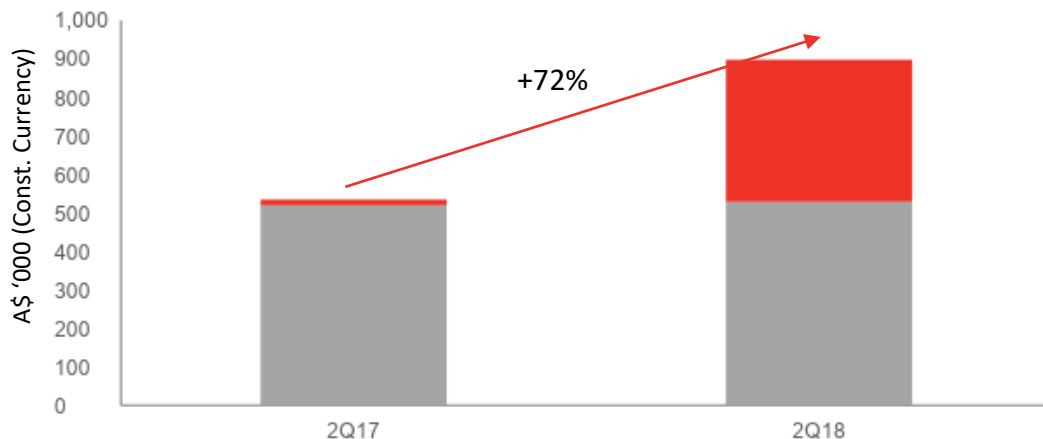
- A powerful tool for car dealers to generate additional revenue in real time
- Added value to each car dealer's customer base



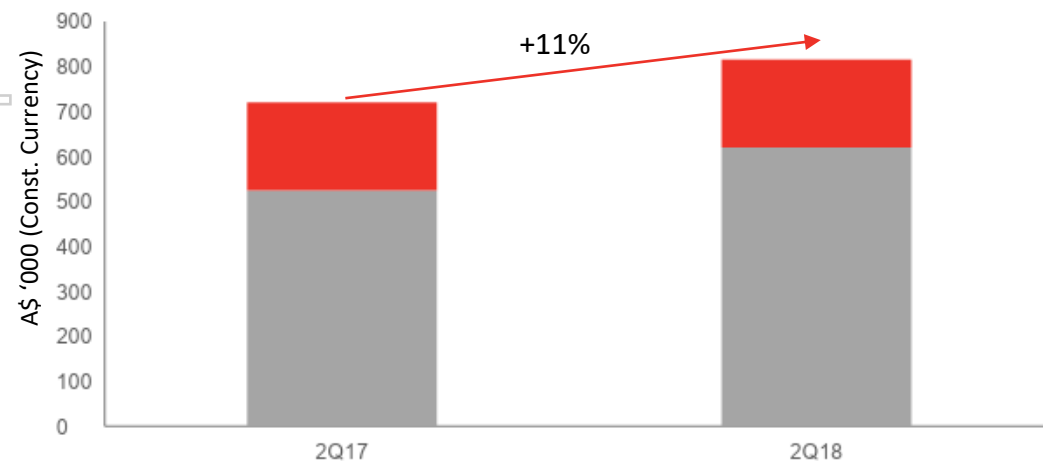
Strong Cross Sell Revenue Momentum



Mexico pcg growth



Ecuador pcg growth



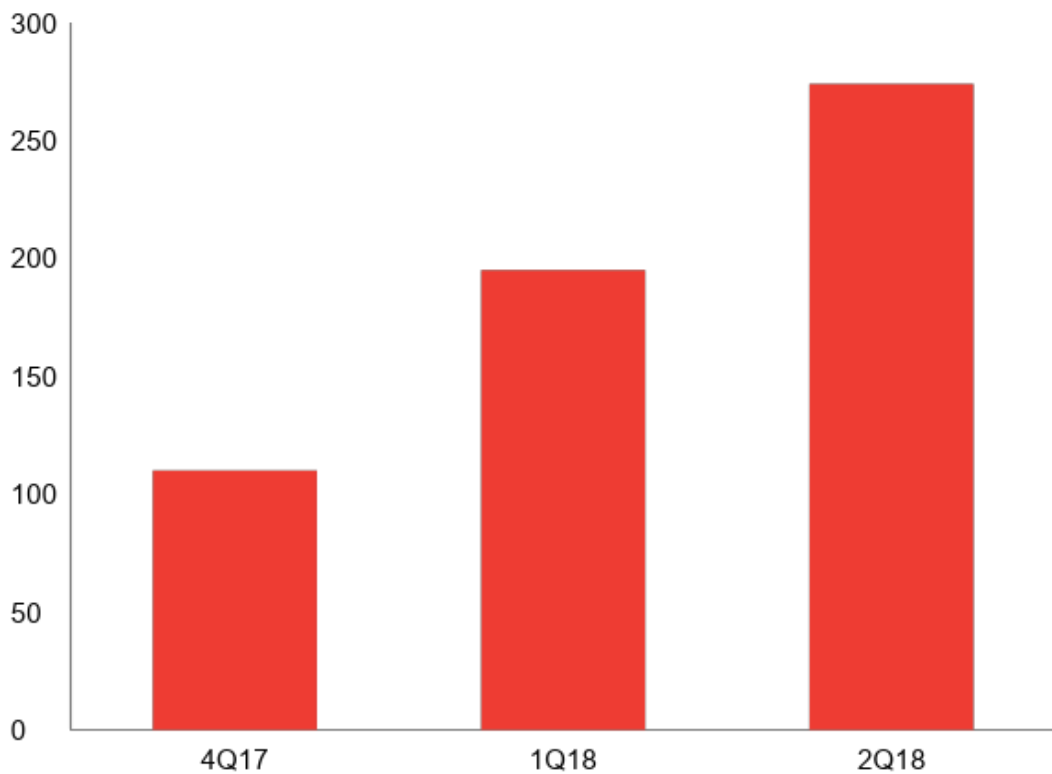
CROSS SELL REVENUES ARE GROWING QUICKLY

- Motorfy Cross Sell launched in Jan 2017
- In Mexico, Cross Sell revenues comprised 41% of total 2Q18 revenues after one year
- Management expects ongoing growth in Cross Sell revenues

Motorfy Dealer Usage Has Been Growing Strongly



Dealers Using Motorfy



- Recent launch of Motorfy app to increase dealer penetration and loans per dealer per month
- Dealer training programs underway to facilitate adoption process
- Loan per dealer and dealer penetration trends are month on month positive into 2018
- Typically, loans sold by a dealer also include Vehicle Products as a package (insurance, GPS tracking etc)

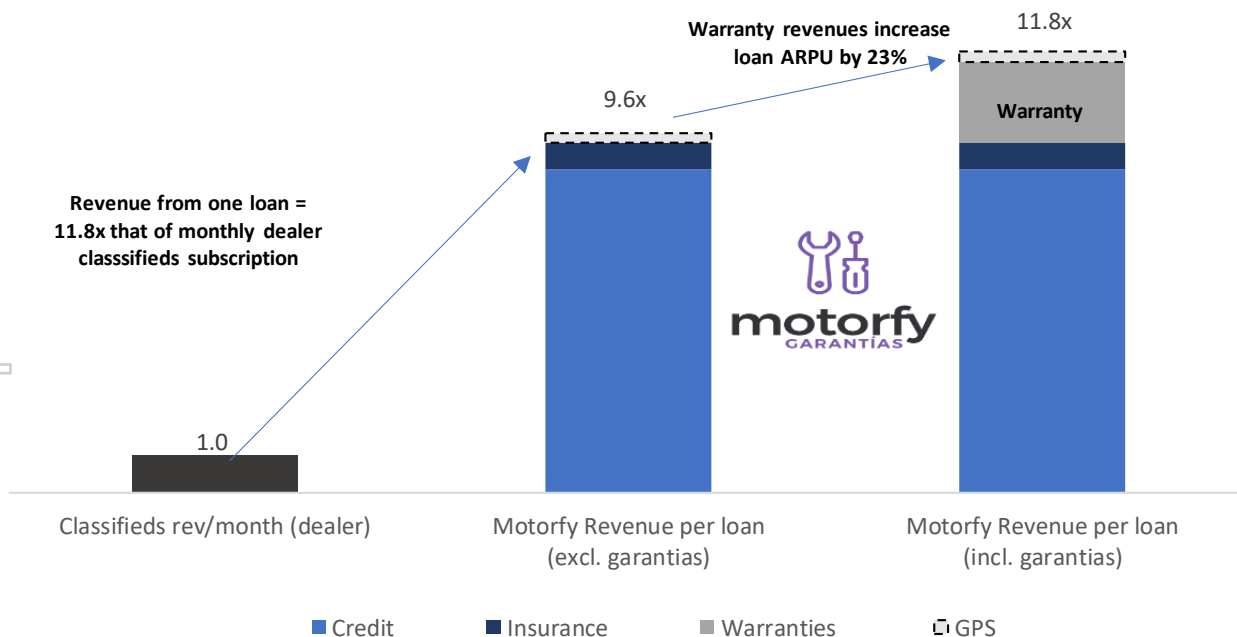
Note: Close numbers for dec-2017, mar-2018 and jun-2018

High Cross Sell Earnings Leverage



LAA is highly leveraged to high margin, fast-growing Cross Sell product sales, which in Mexico generate up to 11.8x the revenue of traditional dealer subscription revenue

LAA FOCUSING ITS EFFORTS ON MOST PROFITABLE PRODUCTS



- LAA to focus on driving Cross Sell product sales in its core growth markets of Mexico and Ecuador
- Mexico is expected to be LAA's key growth driver
- Cross Sell products expected to make a substantial contribution to revenue growth and EBITDA improvement in 2H18

Notes 1: ARPU calculated as sum of all revenues to LAA related to Motorfy Credit including loan, insurance, GPS tracking and extended warranty commissions. ARPU in A\$ varies according to average loan size and currency translations.