

LatAm Autos
Shareholder Update

October 2020



LatAm Autos (“LAA” or the “Company”) has performed well since delisting despite difficult trading conditions

- LAA delisted from the ASX (Australian Securities Exchange) in May 2020 to focus on the restructure of its operations and on the scalability of core products in key markets. The Company also raised A\$5.1m (US\$3.6m) in conjunction with its delisting.
- Following its delisting, LAA has significantly rationalised its cost base:
 - Operating expenses have reduced by almost 60% from 1Q2020 to 3Q2020; and
 - Cash burn has reduced by almost 70% from 1Q2020 to 3Q2020.
- Revenues declined across March – May 2020 on the back the corporate rationalisation and Covid-19 related trading impacts. Since May 2020:
 - Revenue has grown in both Mexico and Ecuador by over 60%; and
 - Sales via the Motorfy platform increased by over 220%.
- Other operational achievements since delisting include:
 - Leads generated by both the Company’s Mexican and Ecuadorian websites are at pre-Covid-19 levels or at record levels; delivering value in terms of a higher number of enquiries to both Dealers and individuals who post listings on the sites;
 - Organic/Free traffic in Mexico increased by over 80% in August 2020 compared to August 2019;
 - Record levels of key engagement metrics (being Time on site, Average visit duration and Bounce rate) in Mexico since May 2020; and
 - Several new products have been launched, including the New Car Catalogue (in both Mexico and Ecuador) and Certified Listings (Mexico only).
- The Company is on track to reach company wide profitability in 1Q2021 and had a cash balance of A\$2.0m (US\$1.5m) as at 30 September 2020.
- The Company’s Mexican and Ecuadorian operating companies have been profitable for the past few months.
- The Company maintain relationships with potential strategic investors and may pursue these if deemed to be in the interests of shareholders.



LAA plans to consolidate its leading auto vertical Classified positions in Mexico and Ecuador and further expand Motorfy in Mexico

Classifieds

Mexico

- Accelerate monetisation of the New Car Catalogue
- Improve market leading position in terms of traffic
- Increase usage and continue to add Dealers to the new Certified Listings section
- Increase number of private listings on the site due to exceptional Leads per Private Listing metrics
- Improve security of transacting between individuals
- Improve process of vehicle viewings and transactions with less human interaction
- Prioritisation of automations across all operations

Ecuador

- Accelerate monetisation of the New Car Catalogue
- Increase number of Dealers using the site as Ecuador continues to bounce back from Covid-19
- Improve process of vehicle viewings and transactions with less human interaction



Mexico

- Increase the number of Dealers using the Motorfy platform
- Expand portfolio of lending partners
- Iterate the platform so that it is more scalable and efficient from end-to-end
- Increase sales of auto insurance independent of auto loans
- Maintain momentum and expand further credit unit sales
- If Motorfy were a bank it would be the fifth largest bank in Mexico generating used car loans between January – September 2020

			2020
Rank			YTD
1	BBVA	# loans	26,593
2	Banorte	# loans	5,127
3	Scotia	# loans	4,746
4	Banregio	# loans	3,536
5	Motorfy	# loans	2,193

Source: AMDA Finance Report September 2020, page 3

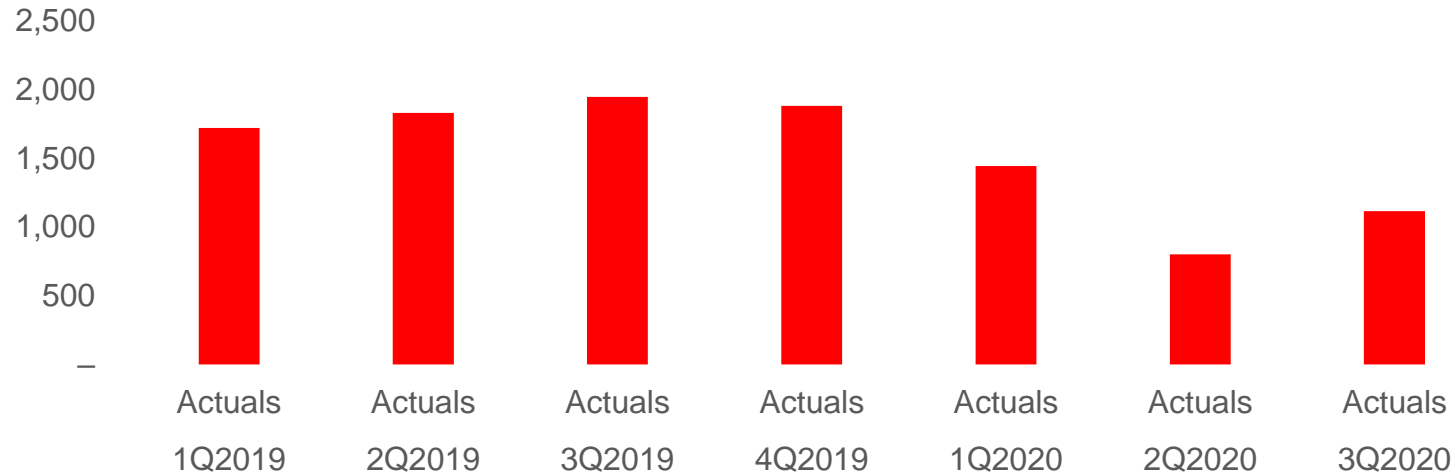
Ecuador

- Continue to sell auto insurance
- Capitalise leads generated to financial institutions in 1H2021

Financial Performance – Revenue

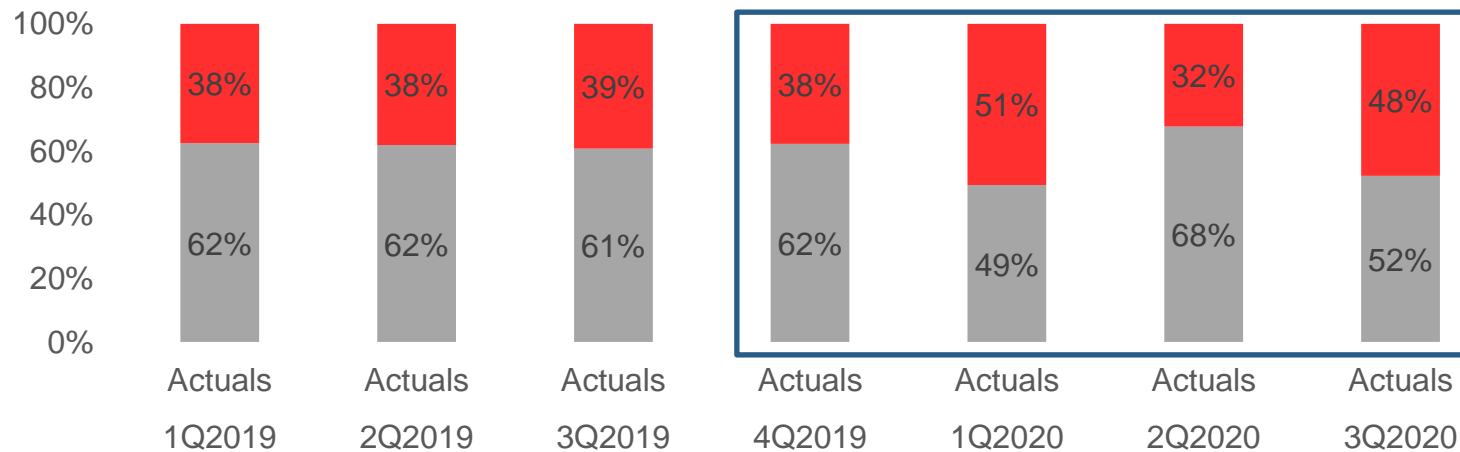


Revenues from external customers (A\$k)



- Revenues in 2Q2020 severely impacted by Covid-19 and company restructure
- In Mexico revenue has grown 60% since its Covid-19 low level, and was 12% lower in September 2020 compared to September 2019

Revenues from external customers – by Classifieds and Motorfy



- With the exception of some exceptionally low months during the first few months of Covid-19, Motorfy in Mexico is strongly leading the Company's growth in revenues

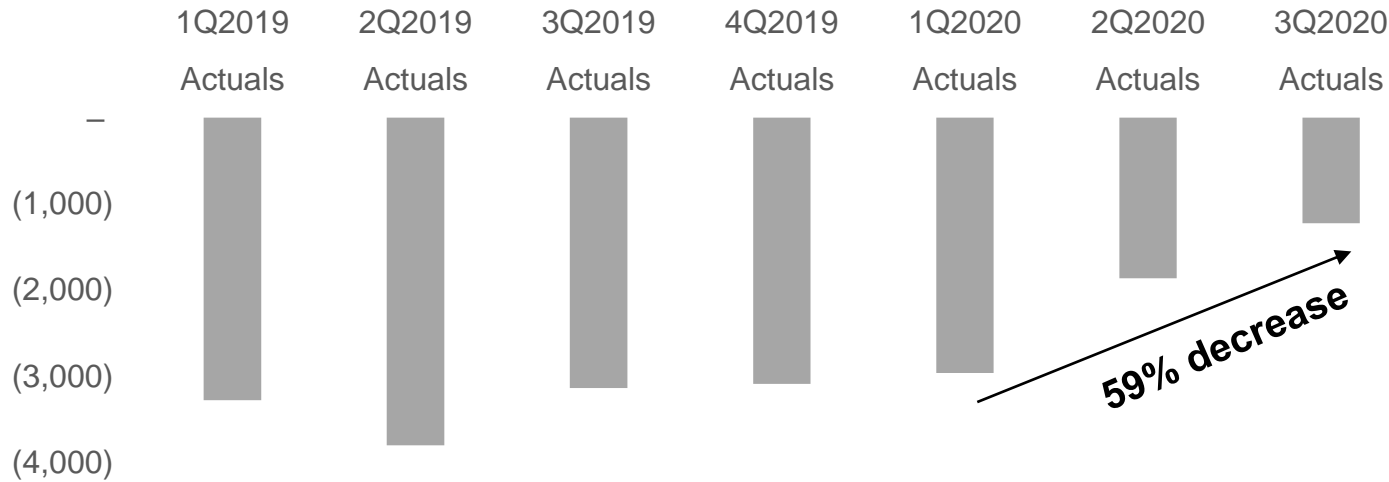
■ Classifieds ■ Motorfy

Note: figures have been audited, reviewed on neither depending on the time period

Financial Performance – Operating Expenses & FTEs

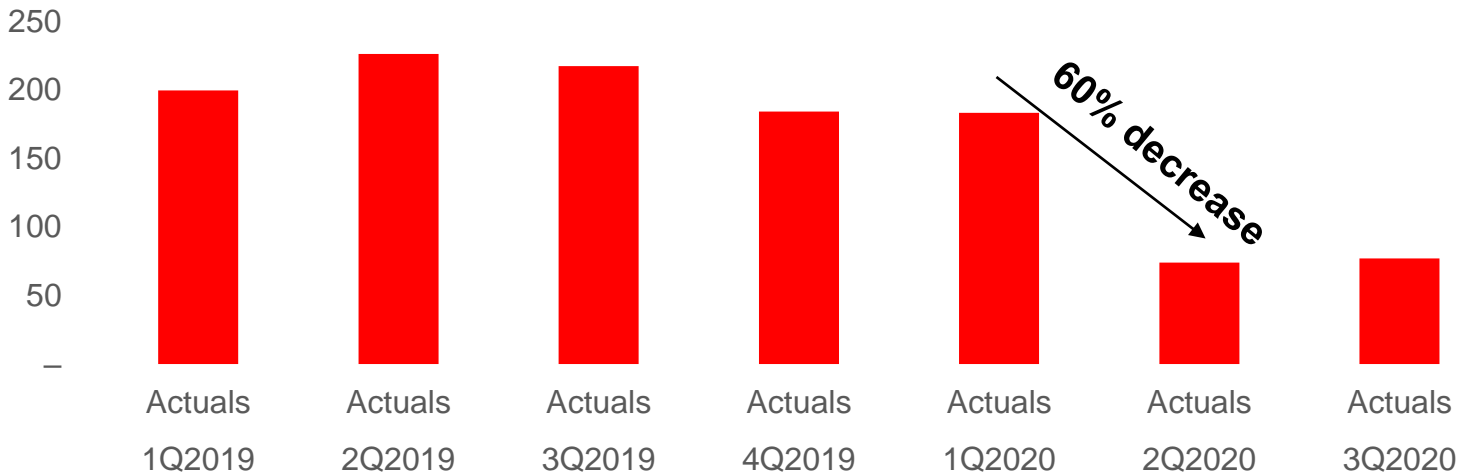


Operating Expenses (A\$K)



- Operating expenses decreased by 59% between 1Q2020 and 3Q2020
- The substantial decrease in operating expenses in 2020, has enabled the Company to almost achieve its goal of breakeven

Number of Full Time Employees at Quarter End

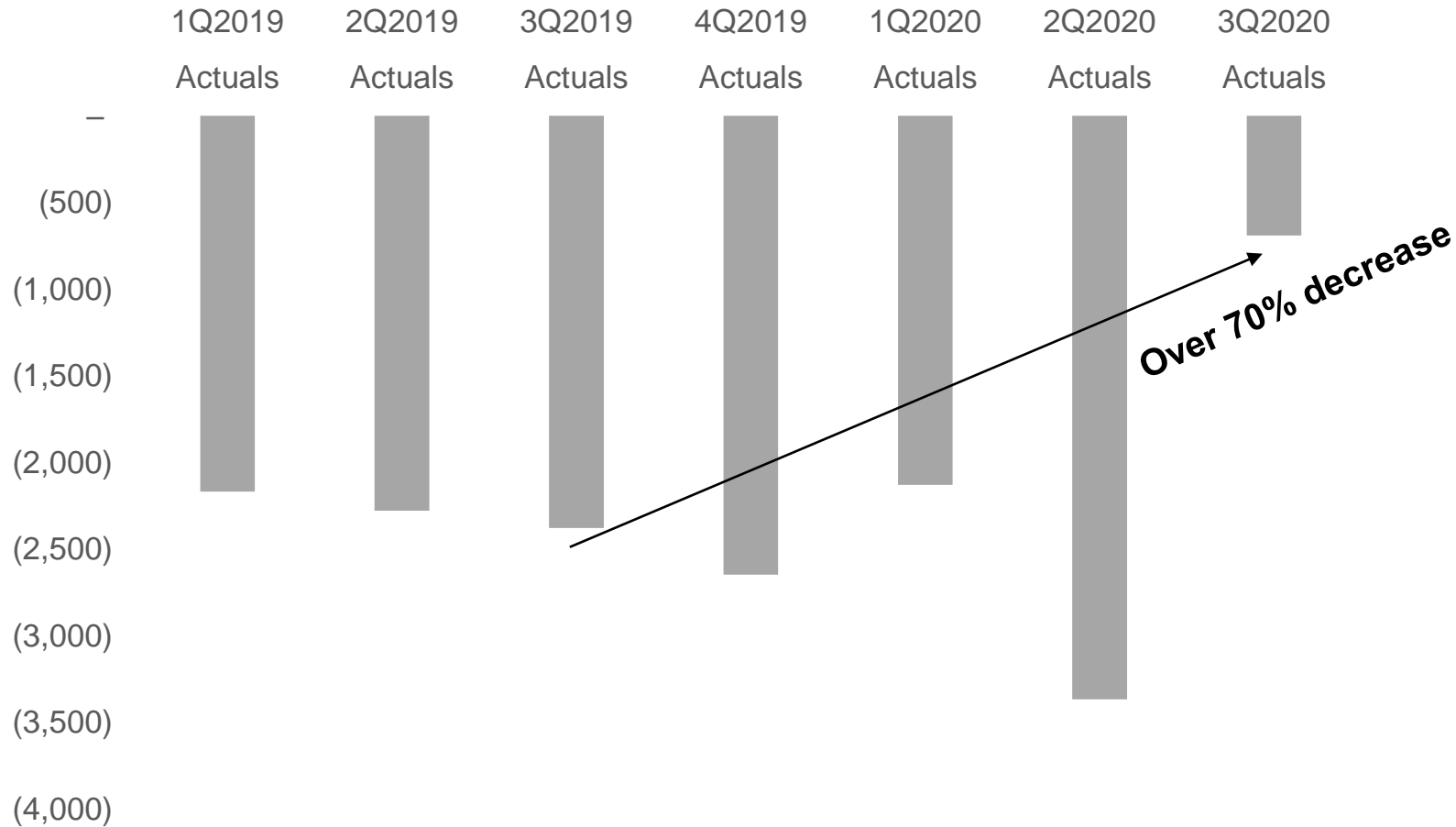


- FTEs reduced by 60% between 2Q2020 and 3Q2020 due to the corporate restructure and Covid-19
- The number of FTEs in the Automations team increased in 2Q2020 to fast track the Company's automation road map

Financial Performance – Cash Flows



Operating Cash Flows (A\$k)



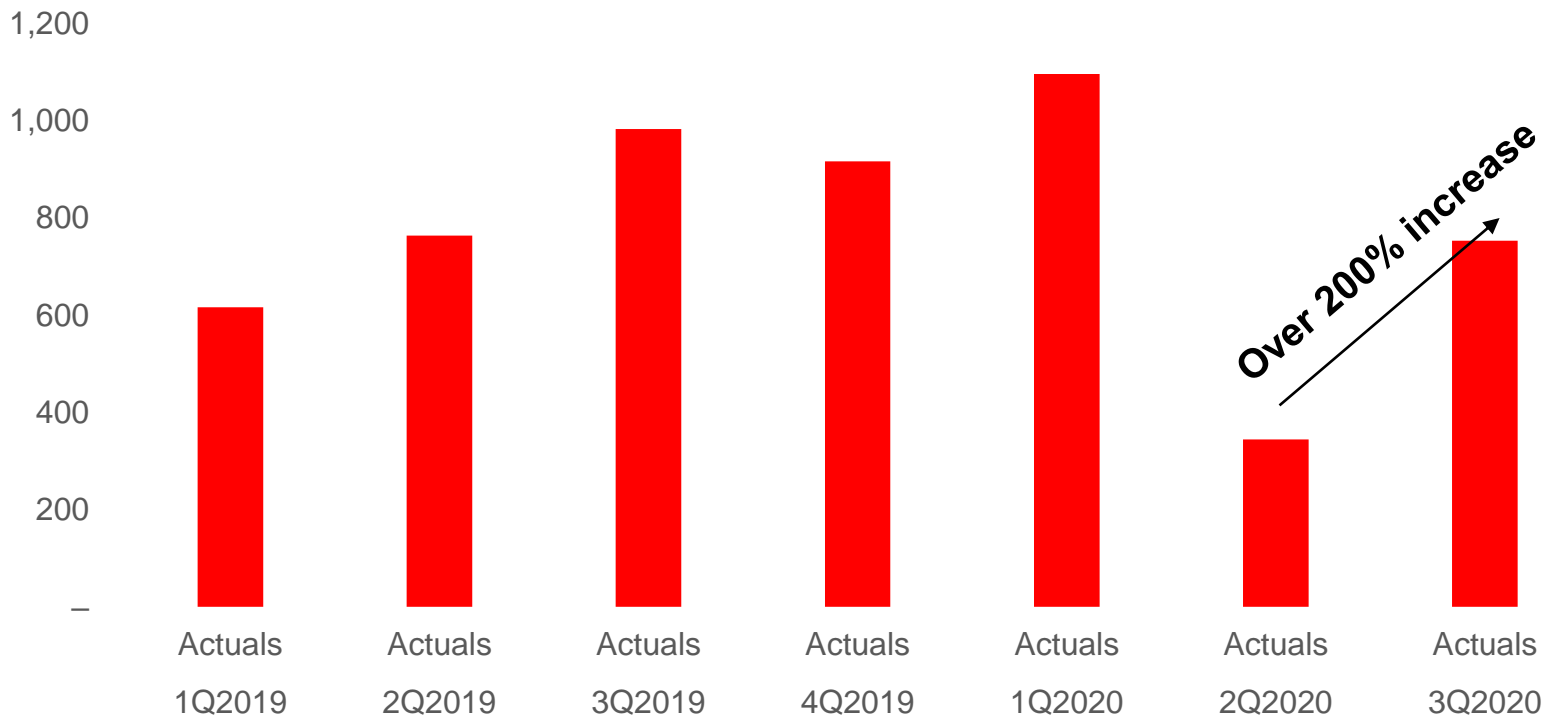
- Over 70% decrease in Operating cash burn between 3Q2020 and 3Q2019
- Spike in cash burn in 2Q2020 mainly due to severances, costs associated with delisting and lower collections
- This graph does not include the A\$5.1m inflow of funds raised in May 2020
- In September 2020 the Company recorded its lowest cash burn on record and has achieved strong momentum toward its goal of being cash flow breakeven

Note: figures have been audited, reviewed on neither depending on the time period

Operational Performance – Motorfy Credit Unit Sales – Mexico



Motorfy Credit unit sales in Mexico (# units)





- Motorfy Credit unit sales were strongly impacted in 2Q2020, decreasing by almost 70% compared to 1Q2020
- The two main reasons for this decrease were:
 1. financial institutions decreasing their risk appetites
 2. actual job losses, or less certainty about job security, decreasing the demand for auto loans from consumers in the early months of Covid-19
- Loan disbursements, via Motorfy, have bounced back strongly in 3Q2020 and achieved record month-to-date disbursements in October 2020
- Demand in auto loans is expected to increase as people are increasingly less comfortable in taking public transport and using ride sharing apps

Operational Performance – Growing Leadership in Mexico

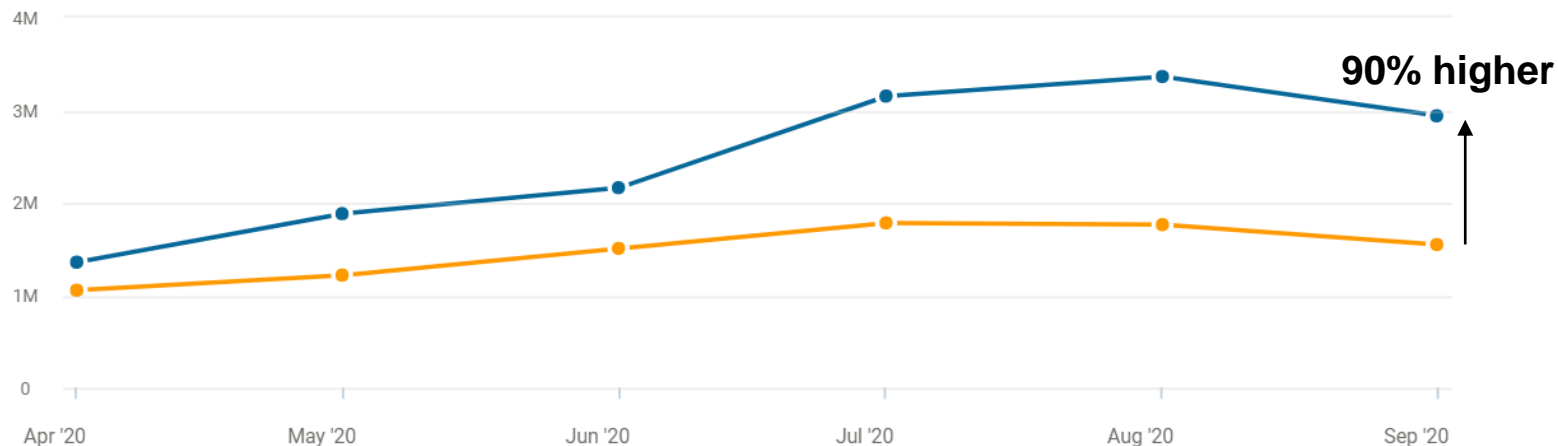


Strong Growth in Leadership Position in Mexico

 **seminuevos.com** vs.  **soloautos.mx**

Total Visits ⓘ

  On desktop & mobile web, in the last 6 months



- The Company's Mexican business (seminuevos.com) has shown strong growth in its leadership position, in terms of traffic, over the number two dedicated auto classified (soloautos.mx)
- The following key engagement metrics have all been at record levels since May 2020 for Seminuevos.com:
 - Average visit duration
 - Pages views per session
 - Bounce rate (which indicates the percent of people who leave the site after viewing one page)

Source: www.similarweb.com

Note: The information is from a third-party source and may differ to each Company's actual operating metrics

How to Trade in LatAm Autos Shares



- To provide shareholders an opportunity to trade in the Company's ordinary shares and options the Company has arranged with Leydin Freyer to maintain a Register of Interest which records buying and selling expressions of interest
- Privacy will be strictly maintained and only with your express authorisation will the Company provide your contact details to another interested party for the purposes of a potential transaction between a buyer and seller
- If you would like to register your interest as a potential buyer or seller, please provide the following information:
 1. The name your Securities are held under
 2. The number of Securities you wish to buy/sell
 3. The price at which you wish to buy/sell
 4. The period that the sale or acquisition is for
 5. Your contact email address and phone number
- This information can be emailed to: investors@latamautos.com
- Once agreement has been reached between interested parties (buyer and seller), the relevant paperwork will be processed by the Company's Share Registry, Boardroom Pty Limited
- For information purposes:
 - The last traded share price on the ASX prior to de-listing was \$0.011 (1.1 cents) per Share
 - The most recent capital raising price in the Company was completed at \$0.03 (3 cents) per Share



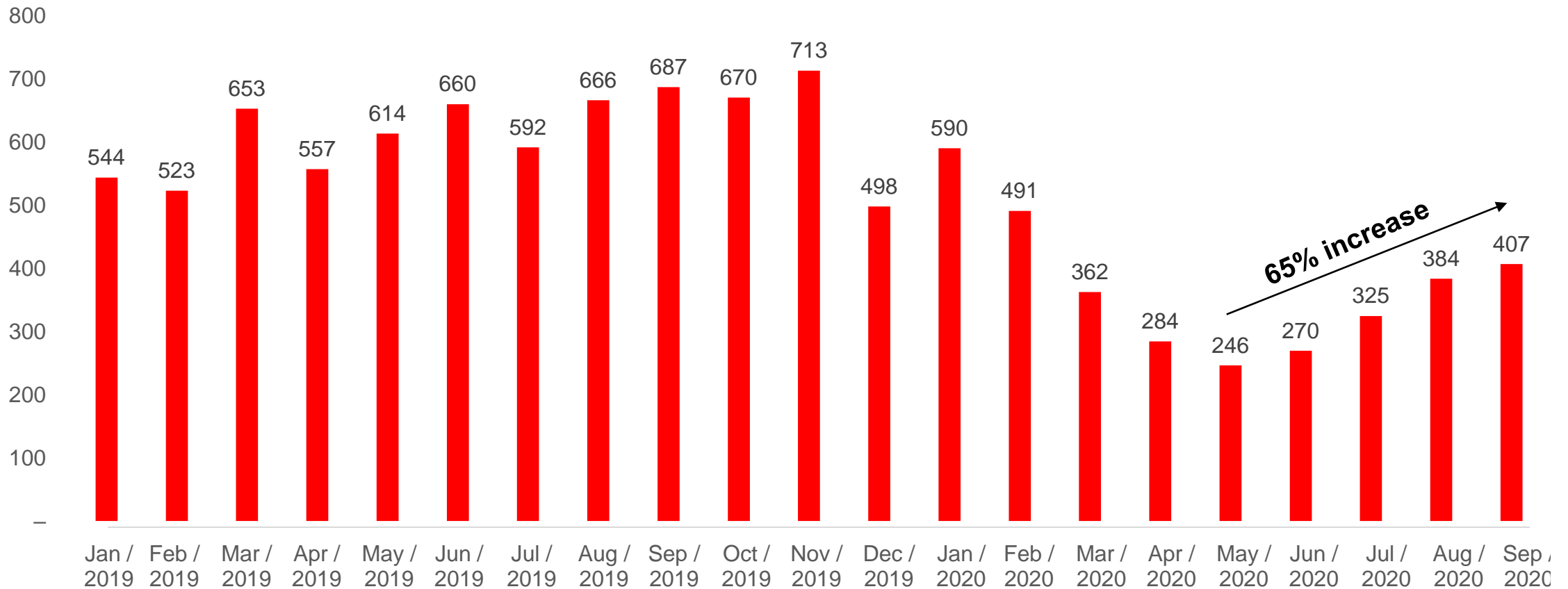
Appendix – Financial Information

Financial Information - Revenue



LAA's cash balance as at the end of September 2020 was A\$2.0m (US\$1.5m)

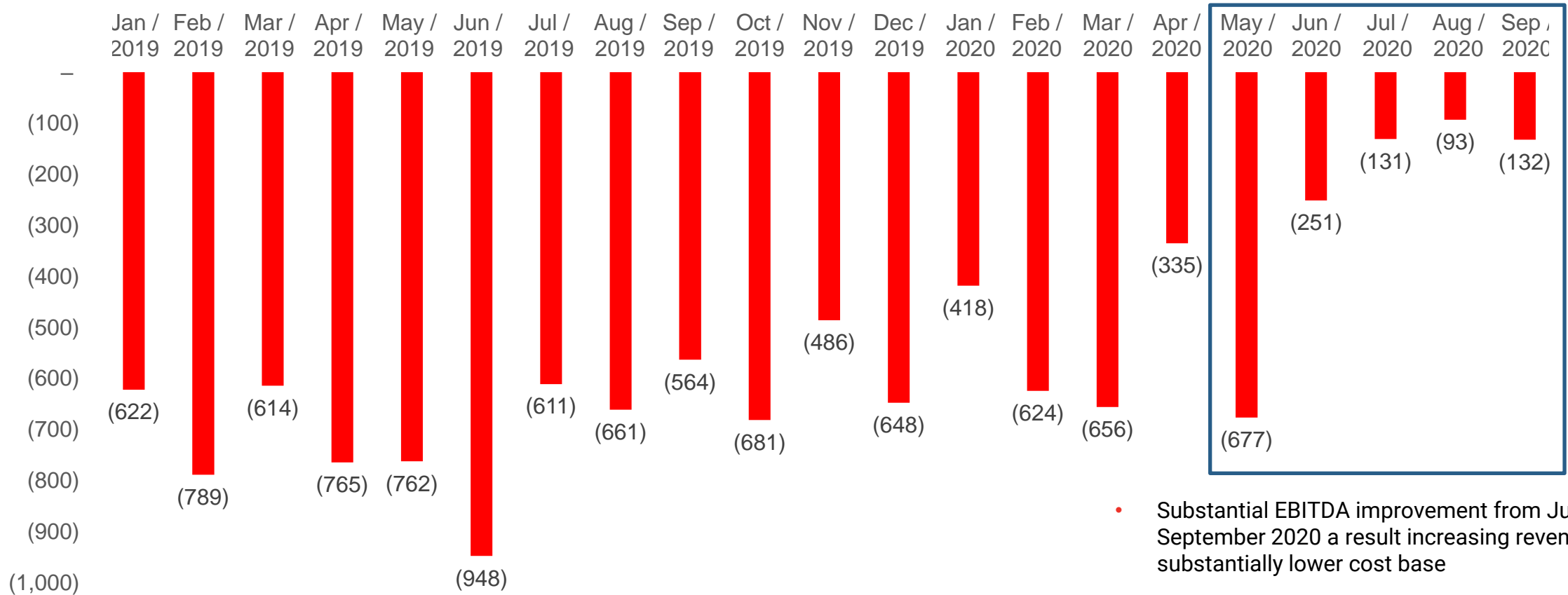
Revenue (A\$k)



Financial Information - EBITDA



EBITDA (A\$k)



- Substantial EBITDA improvement from June to September 2020 a result increasing revenues from a substantially lower cost base
- Large EBITDA loss in May 2020 mainly due to severance expense in that month due to the restructure of LAA



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