

24 July 2017

## LatAm Autos and Credito Real to launch exclusive auto finance product in Mexico

- **Launch of MotorCredit product in Mexico, exclusively with Credito Real**
- **Credito Real is a publicly listed financial institution in Mexico focused on consumer lending with a diversified business platform and loan book above 24bn MXN**
- **Under the agreement Credito Real will provide funding for the loans that are originated through LatAm Autos' proprietary online platform and dealer network**
- **Separately, LatAm Autos signs contract with top 5 global OEM to add over 100 car dealer customers onto its platform**

**Mexico City and Melbourne – 24 July 2017:** LatAm Autos Limited (ASX: LAA) (“**LatAm Autos**” or the “**Company**”) is pleased to announce the execution of an agreement with Credito Real SAB de CV SOFOM ER (**BMV: CREAL**) (“**Credito Real**”) to formally launch LatAm Autos’ MotorCredit product in Mexico, after an initial trial period. The release of MotorCredit in Mexico leverages the leading market position of LatAm Autos’ 100%-owned automotive portal [www.seminuevos.com](http://www.seminuevos.com).

MotorCredit is a proprietary financing platform created by LatAm Autos in partnership with Credito Real for the Mexican market. Through MotorCredit Mexico, consumers access used car financing products through [seminuevos.com](http://seminuevos.com) and the Company’s dealer network, the first of its kind in the market. The formal launch in Mexico, follows the launch of MotorCredit Ecuador in December 2016 which has been a big success. 5,113 financing applications have been received since launch, which represents a total of US\$51.3m in loan applications.

Under the agreement, LatAm Autos will be remunerated for origination of each loan, as well as a fee related to performance of the receivables. The combined strategy targets the mid to low income segment of the market that is underserved by banks. The initial focus for MotorCredit is to provide financing for used car purchases, with new car and other financing products to be rolled out in future. There are around 36 million<sup>1</sup> used cars in the Mexican market, with around 4.5 million<sup>2</sup> used car transactions per year, and with LAA’s leading position it’s expected that revenue from used car financing will become a significant revenue stream for the company.

LatAm Autos’ Executive Chairman, Mr Timothy Handley said, “The roll-out of MotorCredit into Mexico is a key milestone for LatAm Autos and represents our first transactional revenue stream in the key Mexican market. The opportunity for our used car financing product in Mexico is significant with an estimated 4.5m annual used cars sold and a population of 127m. After an initial trial, the execution of the agreement with Credito Real was the final step to launching MotorCredit in Mexico and makes [seminuevos.com](http://seminuevos.com) the first auto classifieds platform to partner with a financial institution to access this revenue stream. As a comparison, both the leading auto classifieds websites in Brazil are majority owned by banks, demonstrating how lucrative auto finance in Latin America can be”

<sup>1</sup> Source: OICA, considering 127m population with 294 motorization rate

<sup>2</sup> Source: Management estimates

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Credito Real's Head of M&A, Luis Berrondo Barroso said, "Credito Real is very happy to be working with LatAm Autos, who are the leader in auto classifieds in Mexico, as a key partner in developing a significant market opportunity with us. The used car financing market in Mexico is hugely under penetrated, and we believe that Credito Real's product is one of the best alternatives available for this market segment. We envisage a long term relationship with LatAm Autos and we are excited about the potential growth that this partnership can bring."

Separately, late last week LatAm Autos also signed an agreement with a global top 5 OEM to bring an additional 100+ new and used car dealers onto its seminuevos.com platform, providing further evidence of its market leading position in the Mexican market.

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**About LatAm Autos (ASX: LAA)**

LatAm Autos is a leading dedicated online auto classifieds and content platform with operations in three countries in Latin America – Mexico, Ecuador, Peru and Panama. As early movers in the region's online auto classifieds industry, LatAm Autos is capitalising on the shift of auto classifieds advertising from traditional media sources to online channels. LatAm Autos is a leader and first mover in its strategy to also assist car buyers through the car purchasing transaction, as well as providing a marketplace for car buyers and sellers. Apart from its core marketplace offering, the Company provides finance, insurance and car tracking technology to customers providing a complete suite of products for car buyers across the region. For more information on LatAm Autos, please visit its website: [www.latamautos.com](http://www.latamautos.com).

**About Credito Real (BMV: CREAL)**

Credito Real is a leading financial institution in Mexico, focusing on consumer lending with a diversified business platform in five main lines of business: payroll credits, durable goods loans, small business loans, group loans and used car loans. Credito Real offers its products mainly to the low and middle segments of the population that have historically been underserved by other financial institutions. Credito Real shares are listed on the Mexican Stock Exchange under the ticker symbol and Series "CREAL\*". (Bloomberg identification number is CREAL\* MM). For more information on Credito Real, please visit its website: [www.creal.mx](http://www.creal.mx).

**Caution Regarding Forward-Looking Information**

This document contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "outlook", "upside", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance, including LatAm Autos' FY17 outlook, are also forward looking statements, as are statements regarding LatAm Autos' plans and strategies and the development of the market. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of LatAm Autos, which may cause actual results to differ materially from those expressed or implied in such statements. LatAm Autos cannot give any assurance or guarantee that the assumptions upon which management based its forward-looking statements will prove to be correct or exhaustive beyond the date of its making, or that LatAm Autos' business and operations will not be affected by other factors not currently foreseeable by management or beyond its control. Such forward-looking statements only speak as at the date of this announcement and LatAm Autos assumes no obligation to update such information. The release, publication or distribution of this presentation in jurisdictions outside Australia may be restricted by law. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.