

Kavak Boosts its Global Expansion by Investing US\$500 Million in Brazil

- The company plans for Brazil to be its biggest operation by December 2021, through the inauguration of the largest vehicle reconditioning center ever built in Latin America.
- This commitment to Brazil involves creating +1,000 jobs in 2021, contributing to the economic reactivation of the country and strengthening the automotive sector.
- Kavak plans to reach 100,000 vehicles purchased and 50,000 vehicles sold in the Brazilian market by the end of 2022.

São Paulo, July 27, 2021.- Kavak, the leading company in pre-owned cars in Latin America, announces the start of its operations in Brazil, with the announcement of a US\$500 million investment, as part of its ambitious global expansion plan.

“Our business model is growing successfully, due to our ability to formalize the pre-owned car market through data and AI technology, which allows us to streamline the car buying and selling process; reduce the time required for reconditioning as well as the evaluation process for offering our different financing options, thereby managing to eradicate risks by eliminating third parties from the process and offering guarantees, in an industry beset by different types of fraud due to informality in its transactions”, said Carlos García Ottati, founder and CEO of Kavak.

Kavak plans to hire more than 1,000 people in the next six months and will open the largest vehicle reconditioning center for Latin America in Sao Paulo. This will underpin plans to achieve 100,000 vehicles purchased and 50,000 vehicles sold in the Brazilian market by the end of 2022, as well as the purchase of over 200,000 units globally in the next 2 years of operations.

Kavak aims to revolutionize the access to automotive financing in Latin America, granting access to financial products to users who had been excluded for their different credit backgrounds, thanks to its data technology and AI. "Having access to a car automatically improves peoples' personal and professional lives. That is why we are putting our best efforts into developing technology that allows financing products to reach as many people as possible so that everyone can buy the car of their dreams", said García Ottati.

Global expansion and accelerated growth

Under the global leadership of Carlos García Ottati, in August 2020 Kavak began operations in Argentina and, in October of that same year, reached the status of the first Mexican unicorn, obtaining a valuation of US\$1,150 billion. However, just four months later, Kavak quadrupled its valuation to US\$4 billion. The company has raised more than US\$900 million in venture capital since its foundation in 2016, positioning itself as one of the most valuable startups in Latin America.

"The expansion in Brazil is the second step of an ambitious international expansion plan that will continue in the next 12 months in various Latin American countries and in other continents. Our vision is to be the largest automotive company in the world, and to achieve this goal we must help formalize a global market that shares similar problems, especially in emerging countries, places where we feel our products can democratize access to a pre-owned vehicle, through security and financial inclusion", said García Ottati.

The Latin American startup announced that it will focus all its efforts on continuing to improve its customer experience and accelerate its conquest of more markets worldwide. "We must be able to rapidly scale our business model to its best version; only in this way will we be able to give fair access for more people to own a car, generating strong relationships so that they come back with us over and over", said García Ottati.

About Kavak

Kavak started the revolution in the automotive market in 2016, by creating a platform based on the use of data and technology that buys, reconditions, and sells used cars over the internet or on company premises (hubs), with all the guarantees of safety and reliability as well as the best financing options. After four years of operation, Kavak became the first unicorn company in Mexico's history and one of the most valuable startups in Latin America.