

## **PRE-OWNED CAR GIANT KAVAK ANNOUNCES UNPRECEDENTED EXPANSION IN THE ANDEAN REGION AND TURKEY**

- The most valuable private startup in Latin America states it's stronger than ever with its arrival to four new countries: Chile, Colombia, Peru and Turkey.
- With this expansion, Kavak becomes the largest pre-owned car operation worldwide, with a solid 75 hub structure with 9 reconditioning centers worldwide.
- In five years of operation, the company has received more than USD 1.6 billion in capital from the world's largest investment funds, reaching a valuation of USD 8.7B.

July 6, 2022 - Kavak, the leading company in the pre-owned car market in Latin America and one of the fastest-growing startups worldwide, reaffirms its leadership in Latin America with the announcement of its expansion in the Andean Region and the start of operations in the Middle East, by landing in Turkey.

*"In the global context of economic uncertainty, launching these four new markets reasserts the financial and business strength we are experiencing as a company. The solution we are building is complex and requires a great deal of input, capital, and time, but we continue to make steady progress in Latin America and the world. Today, Kavak is stronger than ever,"* said Carlos García Ottati, Kavak's CEO.

Only a year after consolidating operations in Argentina and Brazil, Kavak doubles its operating scope by increasing its presence to seven countries, thus strengthening its leadership in Latin America through its expansion to Chile, Colombia and Peru. The startup will make an initial investment of USD120 million to establish the largest pre-owned car operation in the Andean Region.

*"In Latin America and other emerging economies, 90% of the transactions are between individuals, causing 40% of the buying and selling processes to involve some sort of malpractice. In this context, less than 10% of pre-owned car sales have access to financing due to the lack of transparency and security in the market, which prevents citizens from improving their quality of life by acquiring a car. This is why opening these new markets will allow us to continue with our mission of guaranteeing safe and reliable access to a car by consolidating our presence in 80% of the Latin American automotive industry and marking our first incursion outside the region,"* said García Ottati.

As part of the expansion plan in Chile, Colombia and Peru, Kavak will initially hire over 300 people and establish the largest vehicle reconditioning centers in each country, with an installed capacity to process over 3,000 cars a month within the Andean Region.

## **Beyond the Atlantic**

Kavak's disruption in Latin America boosted the company's accelerated growth. In line with the plan of taking its successful business model beyond the American continent, under the CARVAK brand, the Latin American company starts operations in Turkey, the third-largest global automotive market, with an initial investment of USD 60 million.

*"At Kavak, we decided to move forward to become the largest pre-owned car company in the world. We know we can replicate the business model we have built in Latin America. By bringing our infrastructure to countries with emerging economies, we will help boost local economies and contribute to the growth of the middle class in the countries where we operate,"* pointed out Garcia Ottati, Kavak's CEO.

Turning its first location outside Latin America into the most important pre-owned car operation in the Middle East, the company aims to carry out more than 300,000 transactions by 2025. The plan is to accomplish this goal with an initial capacity of four operating centers located in the city of Istanbul; more than 1,000 cars in inventory and a reconditioning potential of 3,000 vehicles per month.

## **The highest-valued startup in Latin America**

Under the leadership of Carlos García Ottati, CEO of Kavak, the company has revolutionized the traditional pre-owned car business, ensuring reliable transactions that mitigate fraud and raise pre-owned car standards from a mechanical and safety point of view through artificial intelligence and data technology. In addition, the company aims to facilitate access to financing for more people, positively impacting their lives.

This successful business model has been backed up by some of the most relevant venture capital funds worldwide. Softbank, Greenoaks, Founders Fund, and DST Global, among others, have invested more than US\$1.6B through five financing rounds, making Kavak the first unicorn company in Mexican history, and the most valuable private startup in Latin America.

Currently, Kavak operates in 24 cities worldwide, with more than 8,000 employees distributed in 75 logistics centers and a total inventory of more than 28,000 cars. In addition, the company plans to continue its ambitious international expansion by closing the year with operations in 9 countries.

*"Economies in developing countries face similar problems such as lack of security, transparency, and access to financing, challenges we are trying to solve, where our product can represent a significant change for citizens. We will not rest until we bring the transformation of the automotive industry to every corner of the planet, and make every person improve their quality of life by acquiring the car of their dreams, with all the guarantees of safety and confidence,"* stated Carlos García Ottati, Kavak's CEO.

**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, and the best financing options. After five years of operation, Kavak became the first unicorn company in the history of Mexico, and the most valuable startup in Latin America.