



Pre-owned car platform leader Kavak, arrives in the GCC with a USD \$130M investment after merging with regional player Carzaty

- Kavak plans to invest USD\$130M over the next two years to establish the largest used car operation in the Gulf region with more than 1,000 employees, and the largest vehicle reconditioning centers in the GCC
- Most valuable private startup in Latin America (\$8.7B Series E) makes its entrance into the GCC with launches across the UAE and Oman with KSA to follow
- Market entrance follows a merger with regional player Carzaty founded in Oman in 2018

Mexico October 11, MX 11.30pm/ Dubai, UAE, October 12, 2022 GST 7.30am: LatAm's most valuable startup **KAVAK** announces the launch of its operations in the UAE and Oman, as the first step of its expansion plans in the GCC with KSA to follow soon.

Founded in 2016 by Carlos Garcia Ottati, Kavak is the market leading tech and data driven platform for used cars at a current valuation of \$8.7B. Kavak has expanded into a global player with presence in ten countries. Following the launch of Turkey in July 2022, Kavak has now entered the GCC by merging with regional player Carzaty to fast track growth across the region.

In emerging countries, Kavak has laid the foundations to transform the pre-owned car buying and selling industry of the future, creating a model that guarantees quality and trust by controlling all stages of the experience, including high-standard inspections; reconditioning; warranty and after-sales services to revolutionize the buying and selling experiences through tech.

Carzaty was founded in Oman at the end of 2018 by ex-McKinsey consultant Hassan Jaffar Al-Lawati and Harvard Business School alumnus Marwan Chaar. The duo identified an enormous regional opportunity after recognising the pain points involved in buying or selling a used car and the commercial inefficiencies surrounding the industry. Research showed there was a general lack of trust and transparency around a vehicle's history.

Kavak has invested in building a 15,000 sqM reconditioning center in Dubai - when fully operational the facility will employ 150 expert mechanics and staff and will handle a monthly capacity of 1,300 vehicles including refurbishment, servicing, and repairs under warranty. Located in Festival Plaza, the 17,000 sqM Dubai customer hub will offer a redefined retail experience and a one-stop-shop for the entire buying and selling process. Plans in KSA will



see a 15,000 sqM operational and customer hub established in Riyadh. In line with Kavak's global policy on vehicle quality, all cars will undergo a 240 point inspection ahead of being purchased.

Commenting on the market opportunity and merger, Marwan Chaar co-CEO of Kavak GCC said: "Quality standards have become the highest point of discordance in the global used cars market. Kavak's model has disrupted the industry to provide consistency and reliability, so that customers can feel trust and reassurance in the car they are buying. Kavak also offers customers up to two years in warranties, ensuring their peace of mind. The GCC region presents a vast opportunity to bring a transparent, high level user experience for the buying and selling of used cars and we are excited to be on this journey with Kavak."

Commenting on Carzarty's early journey and the future with Kavak, co-CEO of Kavak GCC, Hassan Jaffar Al-Lawati said: "When we launched Carzaty in Oman we were problem solving for the immediate market needs - to create a data driven business that could best address customer demands with a strong focus on improving the customer journey. With an investment from the Omani government we were equipped to build the foundations of our business locally and expand into the UAE which acted as our launchpad to scale. As we start this new chapter with our colleagues at Kavak, we are excited to bring our local market knowledge to their global playbook as we double down on the UAE and Oman and expand further into KSA and the rest of the GCC."

Commenting on Kavak's entry into the region, Carlos Garcia Ottati, Global CEO of Kavak: "The GCC region represents a massive untapped opportunity for Kavak. With our unmatched customer service centres and vehicle quality assurance, we are excited to show customers what a pleasant and rewarding experience purchasing a used car can, and should be. With our commitment to invest \$130M into the GCC over the next two years, we are excited to bring customers a new level of customer experience as well as a wealth of employment opportunities to the region. Marwan and Hassan are the perfect match to help bring local insights so we grow the business at scale in a meaningful and lasting way."