

3 November 2016

## CarSync exclusive distribution agreement

- LatAm Autos to distribute CarSync hardware devices and software in Latin America
- CarSync product offering presents a new, attractive recurring software-as-a-service (“SaaS”) revenue stream which will accelerate the path to profitability
- CarSync allows GPS tracking, roadside assistance, theft detection and motion sensors to generate valuable real-time data for vehicle owners and insurers

**Melbourne, Australia – 3 November 2016:** LatAm Autos Limited (ASX: LAA) (“LatAm Autos” or the “Company”) is pleased to announce it has executed an agreement with an automotive software developer to become the exclusive distributor of its CarSync (<http://carsync.com>) hardware devices and software to users in Latin America.

CarSync is an electronic device installed in vehicles which generates continuous data on client behaviour. The product features GPS intelligence, motion sensors and mobile data connectivity which allows users to create a driving profile based on their travel and safety statistics. CarSync can be installed in all car models and allows real-time tracking of vehicle location, synchronisation with traffic and parking navigation services, roadside assistance, theft detection and motion sensors to detect driving patterns.

LatAm Autos will sell the CarSync product using 1 to 4 year agreements with pricing plans that comprise an upfront installation fee from US\$300 (excl. VAT) and an annual renewal fee from US\$200. LatAm Autos will generate recurring SaaS revenue by providing distribution, administrative processing and invoicing services through its software platform. Carsync will be sold in conjunction with our new MotorCredit product, significantly increasing total revenue earned per converted lead. It will also be sold separately through our dealer distribution network and offered through our call centres for private listings. In Ecuador, each financed car with MotorCredit will be required to install and maintain Carsync as a condition of their financing. The CarSync manufacturer will manage the installation of the device and provide technical support.

**Figure 1: CarSync mobile application**



CarSync will initially be distributed through four primary channels:

- **Direct distribution:** through the existing dealer base of LatAm Autos of 3,115 car dealers in Latin America
- **Online and call centre:** marketing through the current LatAm Autos websites and call centre
- **Trade marketing:** marketing through the MotorBit platform, industry conferences and referrals from financing providers where new car purchases will be fitted with CarSync as a standard procedure
- **Existing service renewals:** refinancing of existing vehicles that will be retrofit with CarSync

In addition to the distribution channels above, LatAm Autos are finalising preparations for push marketing and email campaigns to employees and clients of Banco Pichincha (total 621,000 users) and clients of Diners Club (total 350,000 users).

In Ecuador, CarSync will initially be distributed in collaboration with Banco Pichincha, the largest private Bank in Ecuador. Banco Pichincha is financing approximately 35,000 vehicles which have been fitted with an existing GPS tracking technology. Discussions are underway to retrofit these vehicles with CarSync as a superior quality, lower cost alternative. There has also been strong interest from several car insurers to retrofit CarSync into their insured vehicles in Latin America.

Jorge Mejia Ribadeneira, Executive Director and Chief Executive Officer, commented *“CarSync is an exciting product offering for LatAm Autos as insurance companies, car-financing providers and car-owners are increasingly relying on data as a means of security. This is another new related revenue stream, like MotorCredit, that monetises our dealer base and leverages our market leading technology platform, progressing us toward our A\$30m near term revenue target. Recurring SaaS revenues from CarSync are expected to commence this quarter and will accelerate our path to profitability.”*

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

LatAm Autos is a leading dedicated online auto classifieds and content platform with operations in six countries in Latin America – Mexico, Argentina, Ecuador, Peru, Panama and Bolivia. As early movers in the region’s online auto classifieds industry, LatAm Autos is positioned to capitalise on the shift of auto classifieds advertising from traditional print media sources to online channels. For more information on LatAm Autos, please visit its website: [www.latamautos.com](http://www.latamautos.com).

**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' FY16 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.