

13 April 2017

Company Update

- A\$10m fully underwritten convertible note issuance to underpin path to breakeven
- Strategic review concluded to focus on Mexican and Ecuadorean markets
- Fast track to breakeven in 2H 2018
- Rothschild retained as corporate advisor to assess ongoing strategic opportunities

Melbourne, Australia – 13 April 2017: LatAm Autos Limited (ASX: LAA) (“LatAm Autos” or the “Company”) is pleased to provide the following operational and corporate update.

Update on strategic priorities

LatAm Autos has completed a strategic review deciding to focus on its Mexican and Ecuadorean business units where it holds strong and dominant market positions respectively while reducing expenditure in Argentina, Panama and Peru. LatAm Autos has laid out a clear strategy for this refocused country strategy (refer to presentation dated 13 April 2017 titled “Company Update”). The operations in Peru are expected to be maintained at cash flow breakeven in 2017 while the expenditure in Argentina and Panama will be reduced to minimal levels with the closure of local offices. The Argentina and Panama domains and organic revenues are expected to be maintained to provide future optionality. Senior management remuneration will also be reduced by 25%.

Figure 1: Focus on best performing markets in 2017

2017 focus	2016 Total Revenue (A\$m)	Annual growth A\$ (%)	Annual growth Local ccy (%)	New revenue streams (expected launch)				Outlook
				MOTORCredit	carsync	Insurance	Car certification	
Mexico	2.1	45%	62%	April 2017	April 2017	July 2017	July 2017	<ul style="list-style-type: none"> ▪ Largest market opportunity in LatAm ▪ Rolling out CarSync & MotorCredit
Ecuador	2.4	32%	29%	✓	✓	April 2017	May 2017	<ul style="list-style-type: none"> ▪ Already cash flow positive ▪ Strongest historical performer
Peru	0.6	31%	31%	Traditional revenues only				<ul style="list-style-type: none"> ▪ Expected to run as cash flow breakeven ▪ Option to increase focus in 2018
Argentina	2.7	8%	61%	Traditional revenues only				<ul style="list-style-type: none"> ▪ Close local office by April 2017 ▪ Maintain organic revenues
Panama	0.1	22%	19%	Traditional revenues only				<ul style="list-style-type: none"> ▪ Close local office by April 2017 ▪ Maintain organic revenues

Background

A timeline of events has been included below to provide shareholders an update of the operational and corporate activity over the last 5 months.

Nov 2016 – Jan 2017	<ul style="list-style-type: none">▪ LatAm Autos assesses a number of strategic and funding opportunities▪ Rothschild appointed as corporate advisor to consider strategic options for the company▪ Decision made to proceed with capital raising that was expected to fund the business to cashflow breakeven
31 Jan 2017 – 1 Feb 2017	<ul style="list-style-type: none">▪ Trading halt to conduct capital raising
1 Feb 2017	<ul style="list-style-type: none">▪ Approaches received from additional third parties in relation to an acquisition of parts of LatAm Autos' business
2 Feb 2017	<ul style="list-style-type: none">▪ Enters voluntary suspension to consider capital raising options including a strategic review by Rothschild
16 Mar 2017 – 7 Apr 2017	<ul style="list-style-type: none">▪ Strong level of strategic interest in the Company under various transaction structures▪ The Board of LatAm Autos has determined that none of the proposals received were in the best interests of all shareholders▪ Completion of internal strategic review, which concluded to focus on Mexico and Ecuador and seek alternative funding through to breakeven on this basis▪ Funding to breakeven secured through fully underwritten A\$10m secured convertible note▪ Rothschild retained as corporate advisor to assess ongoing strategic opportunities

Funding update

Funding for the updated strategy has been secured through the fully underwritten A\$10m convertible note issuance (the “**Notes**”), which is expected to provide the necessary capital for LatAm Autos to reach cash flow breakeven. The Notes are fully underwritten by Michael Fitzpatrick and Simon Clausen (Directors of LatAm Autos). The proposed Notes will remain subject to shareholder approval being obtained at an Extraordinary General Meeting (“**EGM**”) to be scheduled shortly.

Key terms of the Notes:

- 3 year term (non-callable by Noteholders until maturity)
- 8% p.a. interest rate paid quarterly or capitalised
- Fixed conversion price of A\$0.16¹
- Notes are secured over LatAm Autos' Ecuadorian and Mexican wholly owned subsidiaries
- The Notes can be repaid anytime by LatAm Autos

LatAm Autos continues to progress discussions and proposals from strategic parties interested in acquiring selected country specific operations of LatAm Autos. The Company continues to assess the merits of the proposals and has made a decision to retain and invest into its Mexican and Ecuadorian businesses which it believes presents the best opportunity for shareholder value creation at the current time. The Company confirms it is in compliance with Listing Rule 3.1.

¹ Conversion price subject to terms of convertible note that allow for adjustment to conversion price in event of capital reorganisations/reconstructions or certain prescribed security issues

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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.

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.