

28 April 2017

March 2017 Quarterly Report

- **Strong growth in key Mexican market with record quarterly cash receipts (68% pcp growth in local currency terms, monthly leads +142%, monthly traffic +31%)**
- **Strategic review completed resulting in a renewed focus on the Mexican, Ecuadorean and Peruvian businesses**
- **Successful launch of its MotorCredit product in Mexico, subsequent to quarter end**
- **Announced the A\$10m fully underwritten convertible note issuance to underpin path to breakeven, subsequent to quarter end**
- **Successful launch of transactional revenue streams in Ecuador with strong growth in MotorCredit and CarSync applications and installations:**
 - **Over 2,000 completed applications for MotorCredit since its release in mid-December**
 - **Over 6,000 leads for CarSync installations have been received since its release in mid-November, with conversion rates in March seven times higher than in December**

Melbourne, Australia – 28 April 2017: LatAm Autos Limited (ASX: LAA) (“LatAm Autos” or the “Company”) is pleased to release its cash flow report for the period ended 31 March 2017.

The March quarter saw strong operational progress made across our key markets of Mexico, Ecuador and Peru, with a 27% increase in cash receipts on pcp on a constant currency basis. Total cash receipts for the quarter were A\$1.8m. Operational metrics versus pcp continued to increase across key markets, especially Mexico with highlights being leads +142% and monthly sessions (traffic) +31%. An increased focus on monetisation of existing dealer customers and listings was a key driver of record cash receipts.

LatAm Autos’ Mexican website, www.seminuevos.com, continues to be one the Company’s strongest performers with 68% pcp growth in cash collections recorded in 1Q 2017. The transaction revenue opportunity for LatAm Autos in Mexico is highly significant with a total population of 127m (World Bank, 2015), an estimated annual used car sales of 4.5m (management estimates) and an estimated 36m used cars in circulation. LatAm Autos successfully launched its MotorCredit product in Mexico subsequent to quarter end, representing a huge opportunity for future monetization and profit generation.

Management has been encouraged with the strong uptake in leads of both MotorCredit and CarSync in Ecuador with both products recording substantial growth every month since sales commenced. Since its release in mid-December, LatAm Autos has received over 2,000 completed applications for its MotoCredit product. Since its release in mid-November, LatAm Autos has received over 6,000 leads for CarSync installations, with conversion rates in March seven times higher than in December.

Jorge Mejia Ribadeneira, Executive Director and Chief Executive Officer, commented *“The March quarter was a period of significant operational and corporate change for LatAm Autos as we successfully completed our strategic review and renewed our focus on our best performing markets; Mexico, Ecuador and Peru. Revenues continue to perform in line with management expectations and our operational team has worked tirelessly to roll-out the transaction related revenues streams including MotorCredit and Mexico. Given the successful uptake of these revenue streams we remain highly optimistic for continued growth in 2017 as we drive our key businesses to cash flow breakeven in 2018.”*

Convertible note issuance

Subsequent to quarter end, after receiving several proposals from strategic investors to acquire parts of its business, LatAm Autos also completed a strategic review and decided to focus on its Mexican, Ecuadorean and Peruvian business units where its leading market positions are strongest. The Company also has retained Rothschild as corporate advisor to assess ongoing strategic opportunities.

LatAm Autos also announced its fully underwritten A\$10m convertible note issuance, which is expected to provide the necessary capital for LatAm Autos to reach cash flow breakeven. The convertible notes are fully underwritten by Michael Fitzpatrick and Simon Clausen (Directors of LatAm Autos). The proposed convertible notes will remain subject to shareholder approval being obtained at an upcoming extraordinary general meeting to be scheduled shortly.

Key terms of the convertible notes

- 3 year term (non-callable by convertible 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' Ecuadorean and Mexican wholly owned subsidiaries
- The Notes can be repaid anytime by LatAm Autos

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

For more information, please contact:

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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.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

LATAM AUTOS LIMITED

ABN

12 169 063 414

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,753	1,753
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(1,419)	(1,419)
(d) leased assets	-	-
(e) staff costs	(1,786)	(1,786)
(f) administration and corporate costs	(1,718)	(1,718)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(19)	(19)
1.9 Net cash from / (used in) operating activities	(3,185)	(3,185)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(9)	(9)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	(317)	(317)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(326)	(326)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	4,915	4,915
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,185)	(3,185)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(326)	(326)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	234	234
4.6	Cash and cash equivalents at end of quarter	1,638	1,638

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,638	4,915
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,638	4,915

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

314

-

Director's fees and salaries paid to directors during the March 2017 quarter.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

Nil

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
Nil		

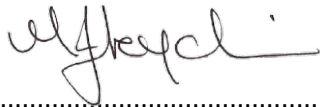
9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(595)
9.3 Advertising and marketing	(845)
9.4 Leased assets	-
9.5 Staff costs	(1,294)
9.6 Administration and corporate costs	(1,093)
9.7 Other (provide details if material)	(278)
9.8 Total estimated cash outflows	(4,105)

* Please note that the above estimated cash outflows for the next quarter do not include inflows of receipts from customers. The cash outflows are estimates only and variable outflows are calculated on forecast revenue for the quarter. Variable outflows will change if actual revenue differs from forecast revenue.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 28 April 2017
(Company secretary)

Print name:MELANIE LEYDIN.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.