



31 January 2019

LAA reports growth in 4Q AUD cash receipts of +51% (58% in Mexico and 44% in Ecuador) vs pcp. Annual unaudited revenue in Mexico grows over 60%. Announces signed contract with prime loan provider.

Mexico City – 31 January 2019: LatAm Autos Limited (ASX: LAA) (“LatAm Autos” or the “Company”) is pleased to announce its quarterly cash flow statement for the December 2018 quarter.

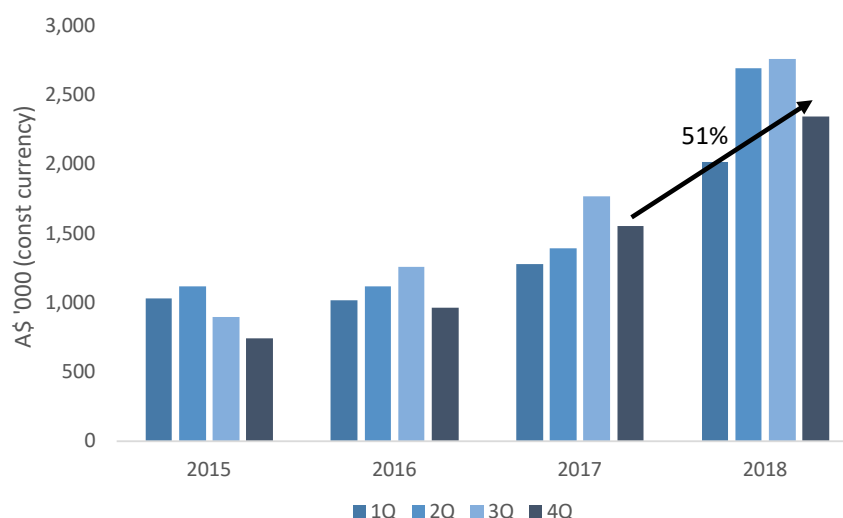
Highlights:

- In Mexico, annual 2018 revenues (unaudited) grew approximately 60% whilst Ecuador increased 15%
- 4Q cash receipts in Mexico and Ecuador grew to A\$2.4m, an increase of 51% versus prior corresponding period (pcp), while annual cash receipts grew 64% versus 2017
- In 2018, net operational cash outflows (excluding one-offs and including capex) reduced by 31% to \$7.3m, however 4Q net operational cash outflows (excluding one-offs and including capex) increased 12% versus pcp
- 4Q cross sell product unit sales grew 79% versus pcp, but decreased 20% versus 3Q impacted by a greater focus on higher profitability products and business seasonality
- The Company had A\$6.6m in cash at the end of Dec-2018. The trend of reducing net operating cash outflows continues, with a 31% reduction in 2018 compared to 2017
- Contract signed with prime loan provider FinBe, providing car finance, leasing, as well as truck and motorcycle finance targeted at new car dealers

Financial Overview

The Company reported growth of cash inflows in the December quarter from its core markets of Mexico and Ecuador of 51% versus pcp, with total AUD cash inflows from operations during 4Q18 of A\$2.4m.

Chart 1: 4Q cash receipts from customers grew 51% qoq (Mexico and Ecuador)



Note: The chart above is depicted in constant currency terms. This means that the relevant exchange rates during 4Q18 of AUDMXN 13.83 and AUDUSD 0.7047 are applied retrospectively to illustrate the impact of cash inflow growth without any currency conversion impacts.



4Q18 cash collections increased 51% vs pcip, and the main reason for decrease in cash collections between 3Q18 and 4Q18 was due to impacts from business seasonality and a greater focus on high margin products.

Chart 2: 4Q cross sell unit sales grew 79% versus pcip, but decreased 20% compared to 3Q

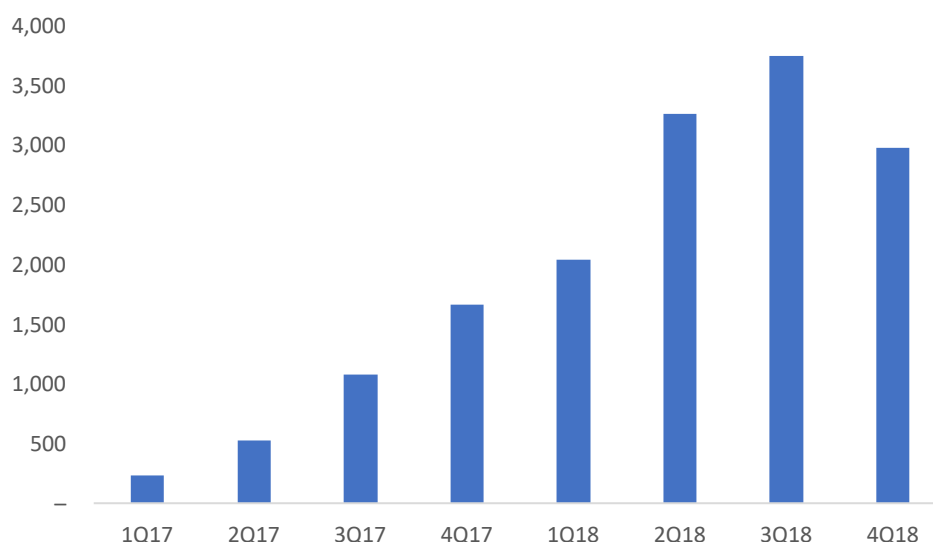
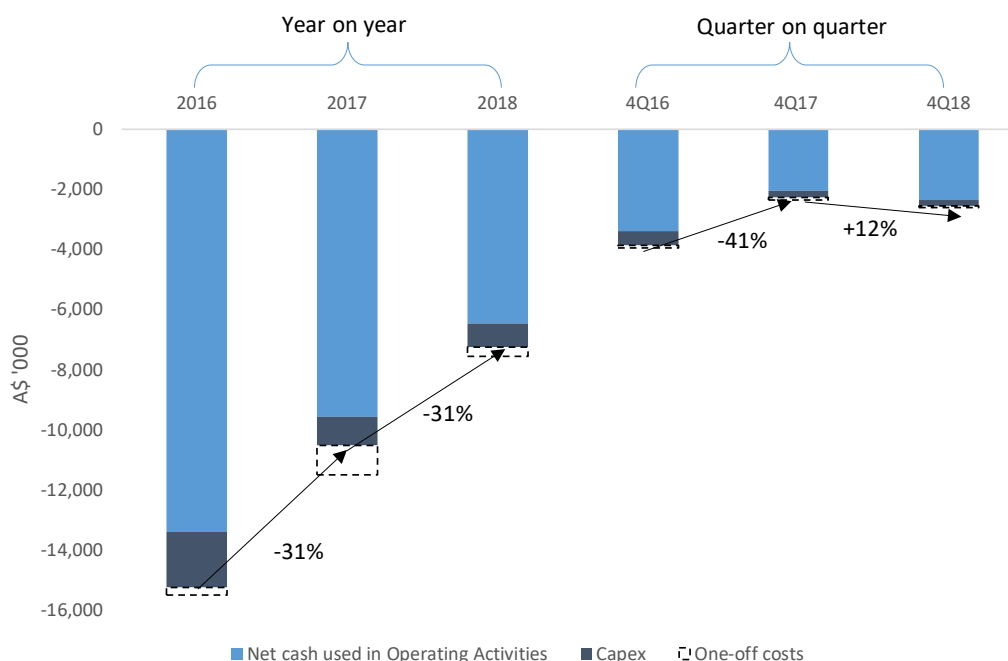


Chart 3: Net operational cash outflows (excluding one-offs and including capex) decreased 31% year on year, but increased 12% quarter on quarter



Annual net operating cash outflows (excluding one-offs and including capex) decreased 31% in 2018 compared to 2017 driven mainly by strong growth in cross sell products in both Mexico and Ecuador. In 4Q, net operating cash outflows increased 12% versus pcip to \$2.6 million, primarily due to timing of payments to suppliers at year end.

The key drivers of reaching operating cashflow neutral or positive on a sustainable basis, are the growth of loan product sales through Motorfy, combined with continued growth in dealers using Motorfy.



Cash Balance

The Company had A\$6.6m in cash balances at the end of Dec-2018. The Company has 49.9m options on issue exercisable at a price of \$0.17, with a final exercise date of 31-Dec-19. In the event that all of these options are exercised the Company will receive an additional A\$8.5m in funding.

Motorfy products

A new growth segment for the Company is to provide a range of cross-sell products for branded new car agencies. Until now, LAA has focused on used car cross-sell products only, with the goal of offering finance products across the entire credit quality spectrum (prime, near-prime and non-conforming) and used car value add products (GPS tracking, insurance etc).

The Company is pleased to announce it has signed an agreement with Financiera Bepensa, S.A. de C.V. SOFOM E.R. ("FinBe"), a prominent finance provider who will provide new and used car finance targeted at new car dealers, as well as having leasing and truck finance options through the Motorfy platform.

Additionally, the Company is in discussions with a new non-conforming loan provider, to replace the previous non-conforming loan prime provider, in order to further drive volumes and maximise the overall conversion rate of applications into loans.

As per the Company's practice with all finance and underwriting products it distributes across its platform on behalf of third party providers, the Company does not assume any underwriting or credit risk.

Management Commentary

CEO and Executive Director of LatAm Autos Jorge Mejia Ribadeneira commented,

"The Company has made huge progress in 2018 and we are pleased that cross sell unit sales volumes continue to grow when compared to the prior corresponding period. We look forward to continuing our strong growth into 2019, particularly as we make progress on adding more products to the Motorfy platform and train more dealers on the use of the Motorfy app".

-Ends-

For more information, please contact:

Tim Handley
Executive Chairman
+61 3 9692 7222
investors@latamautos.com

About LatAm Autos (ASX: LAA)

LatAm Autos is a leading online car transaction market place with operations in Mexico, Ecuador and Peru. LatAm Autos is capitalising on the shift of automotive classifieds advertising to online channels, whilst providing ancillary services to car buyers such as finance, insurance and car tracking technology through its Motorfy brand. 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' FY19 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 Dec 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,417	9,846
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,004)	(3,272)
(c) advertising and marketing	(622)	(2,579)
(d) leased assets	-	-
(e) staff costs	(1,824)	(6,041)
(f) administration and corporate costs	(1,316)	(4,349)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	37
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)		
- Net Sales tax recovered/(paid)	-	(120)
- Severances	(40)	(244)
- One-off payments related with Argentina	(6)	(18)
1.9 Net cash from / (used in) operating activities	(2,395)	(6,740)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(7)	(123)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	(201)	(702)
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	(208)	(825)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	10,464
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	223
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(357)
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 (Convertible notes repayments)	(2,945)	(2,945)
3.10	Net cash from / (used in) financing activities	(2,945)	7,385

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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	12,091	6,789
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,395)	(6,740)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(208)	(825)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,945)	7,385
4.5	Effect of movement in exchange rates on cash held	52	(14)
4.6	Cash and cash equivalents at end of quarter	6,595	6,595

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	6,595	12,091
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)	6,595	12,091

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

204

-

Director's fees and salaries paid to directors during the December 2018 quarter.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	
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	(950)
9.3 Advertising and marketing	(530)
9.4 Leased assets	-
9.5 Staff costs	(1,700)
9.6 Administration and corporate costs	(1,250)
9.7 Other (provide details if material)	(125)
9.8 Total estimated cash outflows	(4,555)

* 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: 
(Company secretary)

Date: 31 January 2019

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.