

14 June 2019

Dear Shareholder

Notification of pro-rata non-renounceable rights issue

On 14 June 2019, LatAm Autos Limited (**Company**) announced a non-renounceable one (1) for four (4) rights issue of fully paid ordinary shares (**Rights Issue**), to raise approximately \$6,572,000 (before costs), with one (1) free attaching new option for every two (2) new shares subscribed for and issued. A Prospectus setting out the terms and conditions of the Rights Issue was lodged with ASX Limited (**ASX**) on 14 June 2019 (**Prospectus**) and will be sent to all eligible shareholders together with a personalised Entitlement and Acceptance Form on Monday, 24 June 2019.

This letter gives shareholders brief details of the Rights Issue, certain information required under the ASX Listing Rules, proposed use of funds and the important dates of the Rights Issue. The Rights Issue is non-renounceable which means that rights cannot be traded or sold.

The new shares to be issued pursuant to the Rights Issue will rank equally with the Company's existing fully paid ordinary shares.

The Rights Issue is only open to eligible shareholders, being shareholders whose registered address is in Australia or New Zealand at 7.00pm on AEST on Thursday, 20 June 2019.

The Company has determined that it would be unreasonable to make offers under the Rights Issue to all shareholders with addresses outside of Australia or New Zealand (**Ineligible Shareholders**) having regard to the relatively small number of the Company's shareholders in those jurisdictions, the relatively low number and value of the shares that would be offered to those shareholders under the Rights Issue and the costs of complying with legal and regulatory requirements in those jurisdictions. Accordingly, the Rights Issue is not being extended to Ineligible Shareholders. Any entitlements to such shares will lapse and the relevant shares will form part of the additional shares and shortfall under the Rights Issue.

Actions required by Eligible Shareholders

To take up all of your rights to subscribe for shares pursuant to the Prospectus (**Entitlement**), you must ensure that your application money for your Entitlement is received by the share registry Boardroom Pty Limited no later than 5pm (AEST) on Wednesday, 3 July 2019, as outlined in your personalised Entitlement and Acceptance Form.

If you only wish to accept part of your Entitlement, you must ensure that your application money for the Entitlements you wish to take up is received by the share registry Boardroom Pty Limited no later than 5pm (AEST) on Wednesday, 3 July 2019, as outlined in your personalised Entitlement and Acceptance Form.

Eligible Shareholders may apply for additional shares (and attaching additional options) over and above their Entitlement at the same price of 5.5 cents (\$0.055) per additional share, if and to the extent there is any shortfall in subscriptions under the Rights Issue. The allocation of any additional shares and attaching additional options will be subject to the Company's discretion and limited to the extent that there are sufficient new shares and new options from shareholders who did not take up their Entitlement.

You are not obliged to take up your Entitlement. However, if you do not take up your Entitlement, your existing interest in the Company will be diluted.

If you hold shares in the Company as nominee or custodian of an Ineligible Shareholder(s), the Company requests you not to:

- (a) send any Prospectus to Ineligible Shareholders; and
- (b) submit any Entitlement or Acceptance Form for the Rights Issue or otherwise purchase shares under the Prospectus on behalf of any such Ineligible Shareholder.

Funds raised under the Rights Issue will be applied to the Company's ongoing working capital expenditure, including marketing, technology and personnel expenses, and costs associated with the Rights Issue and the Placement.

Details of the Rights Issue are as follows:

Type of issue	Pro-rata non-renounceable entitlement issue of fully paid ordinary shares (Shares) of one (1) Share for each four (4) Shares held, with one (1) free attaching New Option for every two (2) New Shares subscribed for and issued (with an exercise price of 10 cents (\$0.10) and an expiry date of 13 August 2021.
Issue price	\$0.055 (5.5 cents) per Share.
Number of shares to be issued	Up to 119,495,833 Shares.
Number of options to be issued	Up to 59,747,916
Amount to be raised	Up to \$ 6,572,271
Rights trading	Rights cannot be traded or sold.
Additional Shares and Additional Options	Eligible shareholders can apply for apply for additional shares (and attaching additional options) in excess of their Entitlement. Additional Shares and additional options will be allocated in accordance with the allocation policy set out in the Prospectus. Any Shares and options not taken by eligible shareholders will form part of the shortfall. The directors of the Company reserve the right to place the shortfall Shares and options at their absolute discretion.
Listing	The Company has applied to ASX for quotation of the Shares.

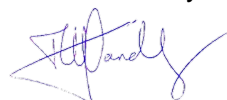
Key indicative dates*

Announcement of Offer	14 June 2019
Lodgement of Prospectus and Appendix 3B with ASX	14 June 2019
Notice sent to shareholders	17 June 2019
Ex Date	19 June 2019
Record Date for determining entitlements	20 June 2019
Prospectus despatched to eligible shareholders and Company announces despatch has been completed	24 June 2019
Closing Date	3 July 2019
Securities quoted on a deferred settlement basis	4 July 2019
ASX notified of under subscriptions	8 July 2019
Issue date	10 July 2019

**The above timetable is indicative only and subject to change. Subject to the ASX Listing Rules, the directors of the Company reserve the right to vary these dates, including the Closing Date, without notice. The directors may extend the period of the Rights Issue or bring forward the Closing Date at their discretion.*

Full details of the terms and conditions of the Rights Issue are contained in the Prospectus which is available on the ASX website www.asx.com.au by searching under the ASX Code "LAA."

Yours faithfully



Tim Handley
Executive Chairman