

31 October 2016

## September 2016 Quarterly Report

- **Record cash receipts of A\$2.0m for the quarter, up 18% on prior corresponding period (+47% in constant currency terms<sup>1</sup>)**
- **Year to date average revenue growth in local currency of 48% compared to PCP**
- **Highest number of dealers and listings on the LatAm Autos platform, up 30% and 13% on PCP respectively**
- **Revenue expected to grow strongly with the addition of new revenue streams, that have commenced in 4Q16**

**Melbourne, Australia** – 31 October 2016: LatAm Autos Limited (ASX: LAA) (“LatAm Autos” or the “Company”) is pleased to release its cash flow report for the period ended 30 September 2016.

The quarter saw strong operational progress made across our six key markets in Latin America with cash receipts increasing to A\$2.0m (up 18% on 3Q 2015). Using constant currency rates as at 30 September 2015 for comparative purposes<sup>1</sup>, restated Australian dollar cash collections in 3Q 2016 would have been A\$2.6m, representing an increase of 47% compared to 3Q 2015. Year-to-date local currency revenue growth for each market averaged 48% compared to the previous corresponding period, with a growth range between 29% and 72% for our six key markets.

Net cash outflows from operating activities for the quarter were A\$3.6m, including A\$2.2m spent on advertising and marketing following the release of PTX Live and marketing campaigns focused on growing market share in the Company’s key markets. The Company finished the quarter with a cash balance of A\$8.4m.

LatAm Autos proprietary PTX Live software technology was successfully released in the September quarter, having been custom-designed for a Latin American customer base. PTX Live is a real-time chat application that allows prospective buyers and sellers to connect and negotiate car transactions through its platform. The pioneering technology is a first in Latin America and one of the first to be released globally. In addition, the Company also released call tracking technology that enables us to track all leads from telephone enquiries, providing an opportunity to monetise additional leads. The releases further entrench LatAm Autos as the auto-classifieds technology leader in Latin America and provides greater visibility and understanding of the complete car sale transaction on its platform.

The addition of the MotorCredit product<sup>2</sup> which allows customers to apply for and receive auto-financing within the LatAm Autos platform, further perpetuates the relevance of the LatAm Autos platform for prospective car purchasers. Further new product releases will be launched prior to the end of 2016, providing significant new revenue streams.

Jorge Mejia Ribadeneira, Executive Director and Chief Executive Officer, commented *“We continued to make strong operational progress in the September quarter, with a record number of dealers and listings on*

<sup>1</sup> Local currencies have depreciated against AUD over the past 12 months

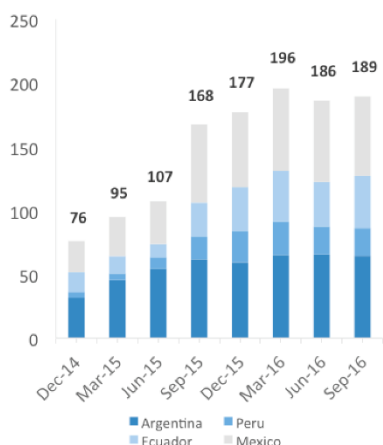
<sup>2</sup> Refer to ASX announcement dated 26 October 2016

the platform across our six key markets in Latin America. In constant currency terms, our 3Q 2016 collections were up 48% on 3Q 2015. Looking forward, we are particularly excited about the potential for various new related revenue streams to accelerate our path to profitability.”

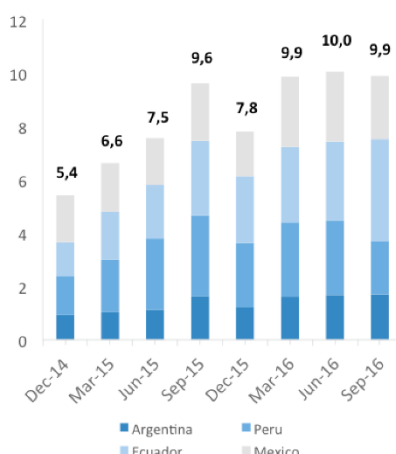
He continued “We were also pleased to announce a strategic partnership with Banco Pichincha after the period end. Our first product release, MotorCredit, provides an opportunity for LatAm Autos to further capitalise on the rapid growth of car financings in the region.”

### Key operating metrics continue to track strongly<sup>3, 4</sup>

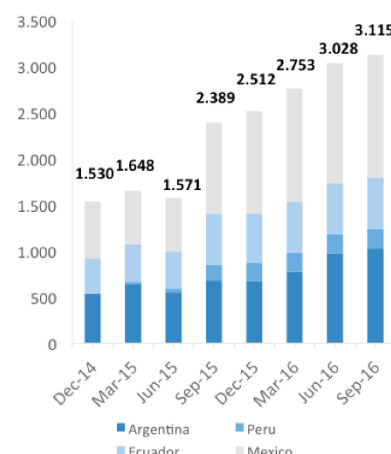
Vehicle Listings by Territory ('000)<sup>3</sup>



Monthly Sessions (m)<sup>4</sup>



Dealers Using LAA's Sites<sup>3</sup>



### 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](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.

<sup>3</sup> Ecuador data includes traffic and dealers from Panama and Bolivia under patiotuerca.com brand

<sup>4</sup> Total sessions include mobile traffic and YouTube sessions

## 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")**

30 September 2016

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers		2,032	5,540
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		-	-
(c) advertising and marketing		(2,171)	(5,626)
(d) leased assets		-	-
(e) staff costs		(1,831)	(5,291)
(f) administration and corporate costs		(1,748)	(4,775)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		14	55
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)		59	(61)
<b>1.9 Net cash from / (used in) operating activities</b>		<b>(3,645)</b>	<b>(10,158)</b>
<b>2. Cash flows from investing activities</b>			
2.1 Payments to acquire:			
(a) property, plant and equipment		(13)	(247)
(b) businesses (see item 10)		-	-
(c) investments		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	(275)	(1,124)
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(288)</b>	<b>(1,371)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	2,150
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)	-	(63)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>2,087</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	12,706	18,361
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,645)	(10,158)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(288)	(1,371)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,087

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(374)	(520)
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>8,399</b>	<b>8,399</b>

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	8,399	12,706
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>8,399</b>	<b>12,706</b>

**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**

294

-

Director's fees and salaries paid to directors during the September 2016 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. <b>Financing facilities available</b> <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. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(1,276)
9.4 Leased assets	-
9.5 Staff costs	(2,186)
9.6 Administration and corporate costs	(1,240)
9.7 Other (provide details if material)	(287)
<b>9.8 Total estimated cash outflows</b>	<b>(4,989)</b>

\* 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. The Staff costs above include a once yearly amount of A\$356,000 for legally mandated holiday bonuses paid in December to employees of the Latin American subsidiaries

10. <b>Acquisitions and disposals of business entities</b> <b>(items 2.1(b) and 2.2(b) above)</b>	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 October 2016

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.