

28 February 2018

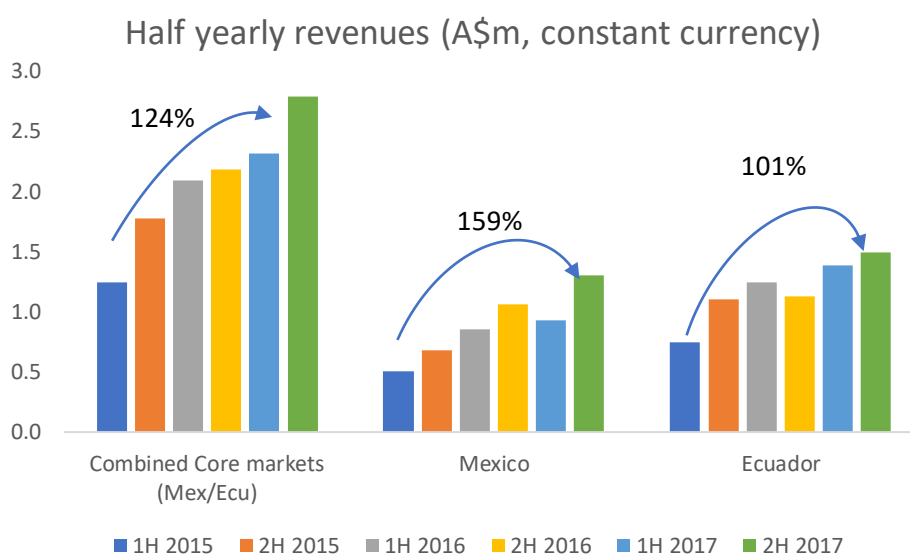
LAA reports record revenues in Mexico (+16%) and Ecuador (+19%), revenues from cross sell products accelerates in 2H17

Mexico City, Quito and Melbourne – 28 February 2018: LatAm Autos Limited (ASX: LAA) (“**LatAm Autos**” or the “**Company**”) is pleased to announce its financial statements and Appendix 4E for the year ending 31 December 2017.

2017 was a transformational year for the Company as it completed a restructure to focus on strong leadership positions in core markets of Mexico and Ecuador and introduced several high margin cross sell revenue streams.

2017 Highlights (year on year comparison):

- Extends lead as the number one dedicated online auto classifieds platform in Mexico and Ecuador
- Strong balance sheet with proforma cash balance of \$9.3 million¹ as at 31 December 2017
- Local currency revenue growth of 16% and 19% respectively in Mexico and Ecuador, taking full year revenues from continued operations to A\$5.6 million and accelerating its path to reach operating cashflow break even
- Mexico’s underlying EBITDA loss improved 41% with continued strong volume growth from high margin cross sell products
- Ecuador continues to be underlying EBITDA positive
- Very strong online organic traffic² (website audience) growth of +92% (Mexico) and +29% (Ecuador)
- Total leads to car sellers on the Company’s Mexican website grew 68%



¹ \$6.8m as at 31-Dec-17, plus \$2.5m from Director component of placement (EGM on 9-Mar-18), and SPP proceeds received

² SEO and Direct traffic sources

Group Restructure

On 13 April 2017, the Company announced a strategic restructure.

Key elements of the restructure were:

- prioritise geographies where the company has a leading position (i.e. Mexico, Ecuador and Peru); and
- exit sub-scale geographies or geographies that were unlikely to achieve profitability in the short term (i.e. Argentina and Panama).

Combined, the Board believes that these strategic decisions have accelerated the Company's path to becoming operating cash flow positive.

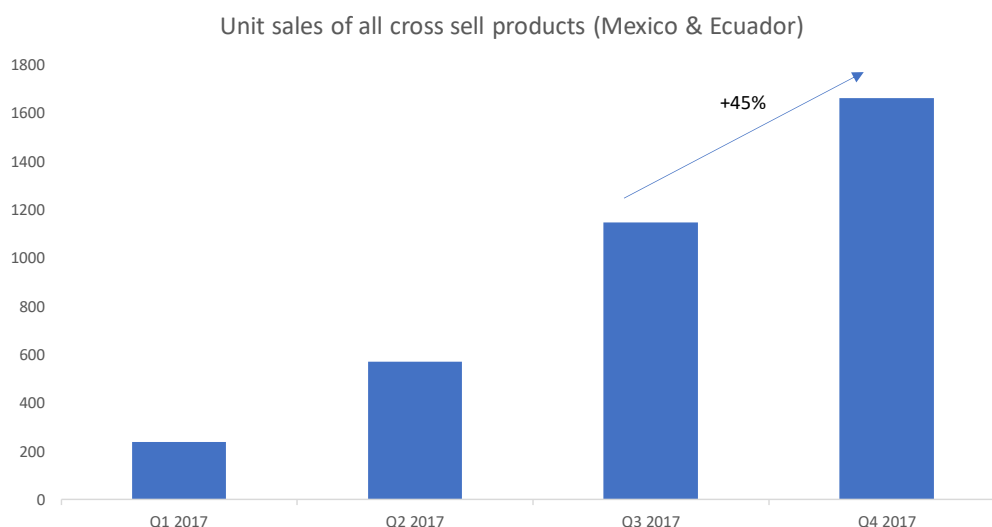
Launch of Cross Sell Products in Mexico

On 24 July 2017, LatAm announced that it had entered into an exclusive arrangement with Credito Real SAB de CV SOFOM ER (BMV: CREAL) (**Credito Real**) to provide auto finance products in Mexico, targeted at the used car market, distributed through the company's car dealer network. Credito Real is a publicly listed financial institution in Mexico focused on consumer lending and with a loan book above MXN24bn.

Together with Credito Real, LatAm is targeting a new segment for second hand motor vehicle finance in Mexico by providing an alternative to personal loans and credit card finance. The Company also offers both insurance and GPS tracking products (together referred to as cross sell products).

Cross sell products provide high margin revenues for the Company. For example, the sale of one MotorCredit product in Mexico generates approximately 6.3x the gross revenue which LAA generates from an individual dealer in subscription fees.

MotorCredit has shown very strong growth, particularly in Mexico where it was launched during 3Q. The total unit sales of all cross sell products grew 45% in the final quarter of 2017 and both January and February 2018 posted consecutive record high unit sales, continuing the strong trend.

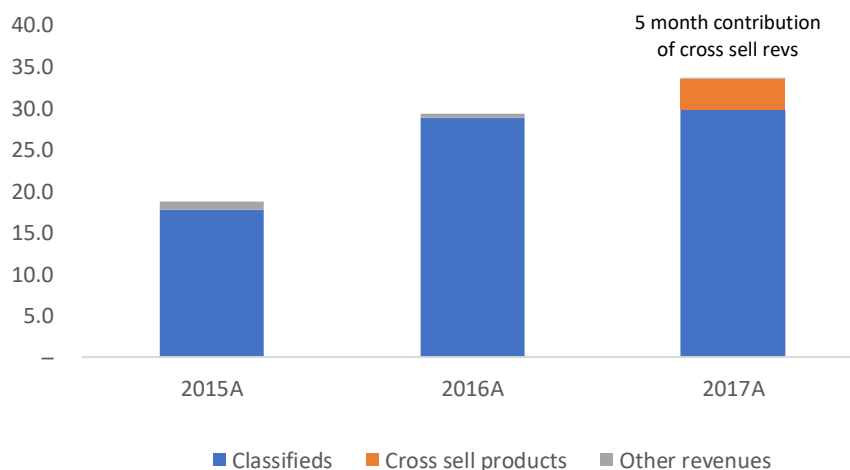


Mexico

In 2017, LatAm Autos' flagship Mexican business seminuevos.com which generated 41% of FY17 revenues from continued operations, achieved several important goals by combining continued growth in both revenues and operating metrics, from a significantly lower cost base. This trend, particularly in 2H17, is important as it demonstrates the power of combining our high margin cross sell products (finance, insurance, GPS tracking) with our leading classifieds business, and has accelerated the Company's target of reaching operating cash flow breakeven in the second half of 2018.

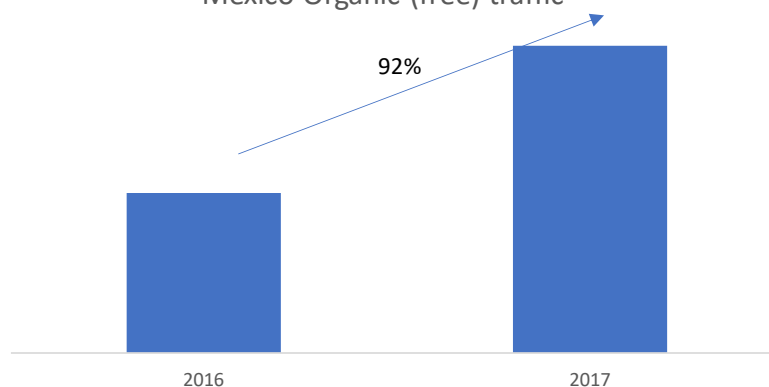
- Local currency revenues grew 16% year on year to MXN 33.6 million (A\$2.2 million), with cross sell revenue streams representing 11% of total revenues, despite only being launched in second half of the year
- Local currency underlying EBITDA loss improved 41% year on year to -MXN38.2m (-A\$2.5m)
- Organic (free) website traffic grew 92% on a full year basis, year on year
- Total leads to car sellers grew significantly by 68% year on year

Mexico Revenues (MXN millions)



Note: In 2017, cross sell product revenues (finance, insurance, GPS tracking) made up 11% of total revenues, in Jan-18 this has grown to represent 38% of total revenues.

Mexico Organic (free) traffic

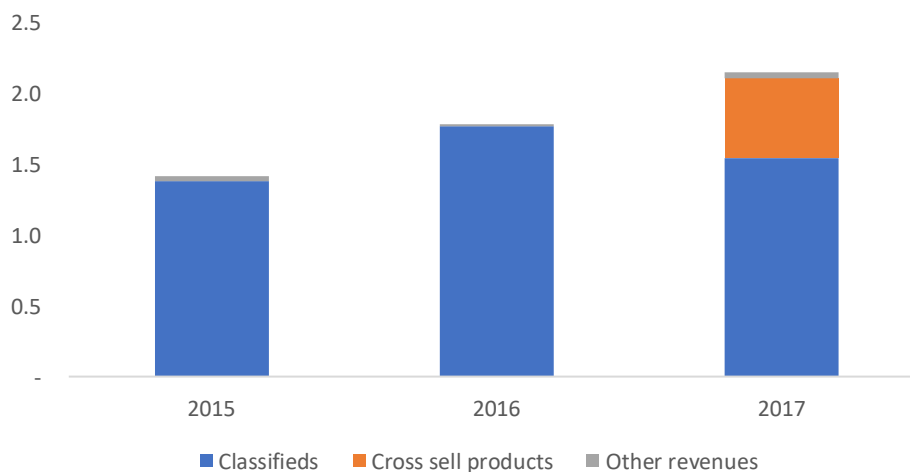


Ecuador

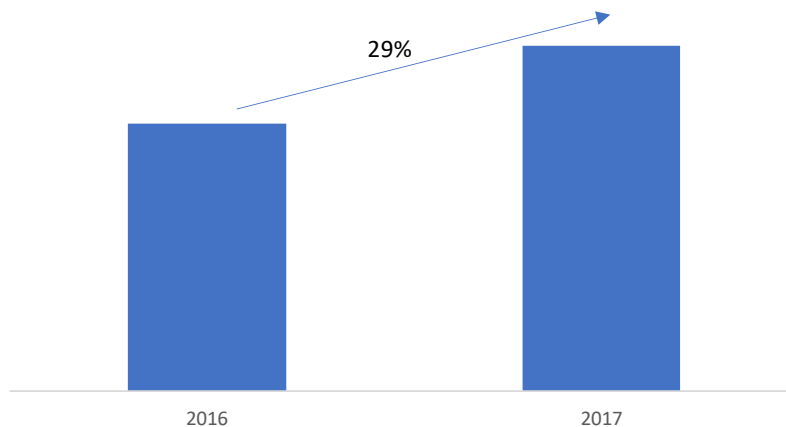
LatAm Autos' Ecuadorian business patiotuerca.com grew its already dominant position as the leading auto classifieds website and recorded local currency revenue growth of 21% during the period, despite distractions from a significant company restructure. The Ecuadorian business continues to operate on a cashflow positive basis, generating A\$0.3m in EBITDA on an adjusted basis.

- Local currency revenues growth of 19% year on year to USD2.1 million, with cross sell revenue streams representing 27% of total revenues, after being launched in December 2016. Of the new revenue streams, insurance was a particularly strong performer.
- Organic (free) website traffic grew 29% on a full year basis, year on year
- Total leads to car sellers were flat year on year

Ecuador Revenues (USDm)



Ecuador Organic (Free) Traffic



Outlook

The milestones achieved in 2017 (restructure, introduction of new revenue streams and reduction in cash burn) have put in place a strong platform to drive the Company's target of achieving sustainable, profitable growth as the clear leader in the online auto classifieds sector in Mexico and Ecuador.

The Company is leveraging its position as the leading online marketplace provider, to become a strategic business partner of the motor vehicle dealer via its cross sell products. This transition is expected to increase the Company's revenues and margins and further entrench its position as the leading network of car buyers and sellers in its core geographies.

The Company reaffirms its visible path towards cash flow breakeven towards the end of the 2018 calendar year. The precise timing of our first operating cashflow positive month will be driven by the rate of growth of cross sell products in Mexico and prudent expense management.

-Ends-

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About LatAm Autos (ASX: LAA)

LatAm Autos is a leading dedicated online auto classifieds and content platform with operations in four countries in Latin America – Mexico, Ecuador, Peru and Panama. As early movers in the region's online auto classifieds industry, LatAm Autos is capitalising on the shift of auto classifieds advertising from traditional media sources to online channels. LatAm Autos is a leader and first mover in its strategy to also assist car buyers through the car purchasing transaction, as well as providing a marketplace for car buyers and sellers. Apart from its core marketplace offering, the Company provides finance, insurance and car tracking technology to customers providing a complete suite of products for car buyers across the region. 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

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