



14 June 2019

LatAm Autos Announces Equity Raising and Addition of two new Directors to the Board

Key Highlights:

- **Significant strengthening of balance sheet**
- **Equity Raising of up to \$10 million, consisting of:**
 - **fully committed \$3.2 million placement;**
 - **conditional \$0.25 million placement;**
 - **pro-rata non-renounceable 1:4 rights issue to raise up to \$6.6 million; and**
 - **one free option for every two shares issued under Equity Raising**
- **A restructure of the outstanding Convertible Notes, subject to shareholder approval, including subscription to equity by noteholders to reduce convertible loan balance by \$3.1 million**
- **All Directors, senior management and Perennial Value Management participating in capital raising**
- **Addition of two highly experienced Non-Executive Directors**

Melbourne – 14 June 2019: LatAm Autos Limited (ASX: LAA) ("**LAA**" or the "**Company**") is pleased to announce the successful completion of a \$3.2 million placement to institutional and sophisticated investors at \$0.055 (5.5 cents) per LAA share ("**Placement**"). A further \$0.25 million will be placed to certain LAA Directors subject to shareholder approval ("**Conditional Placement**").

The Company is also pleased to invite eligible shareholders to participate in a pro-rata non-renounceable 1:4 rights issue at \$0.055 (5.5 cents) per share to raise up to \$6.6 million ("**Rights Issue**").

For every two (2) new shares subscribed for under the Equity Raising, investors will be entitled to one (1) free attaching listed new option. The Options will be exercisable at \$0.10 (10 cents) per LAA share and have an expiry date of 13 August 2021. The Company will seek to have the Options quoted on ASX. Options issued under both the Placement and Conditional Placement will be subject to shareholder approval.

The issue of shares under the Placement is expected to occur on 20 June 2019 and will be made without shareholder approval using the Company's existing capacity under Listing Rule 7.1. Placement investors will be entitled to participate in the Rights Issue.

The total proceeds raised under the Equity Raising will be used to accelerate cross-sell product volume growth through its Motorfy platform, continue to increase its online classifieds' market share and general working capital.

LAA's largest shareholder, Perennial Value Management, participated in the Placement and has committed to maintaining its shareholding through the Equity Raising to avoid any dilution (up to 14.9% of LAA issued capital).



In addition to the Equity Raising, the Company is also undertaking a restructure of the outstanding Convertible Notes with noteholders confirming their intention to a redemption by subscription to equity of approximately \$3.1 million of the existing loan balance at \$0.055 (5.5 cents) per LAA share plus attaching Options on a 1:2 basis.

The maturity date of the remaining Convertible Notes (c.\$4.5 million) will be extended to 31 July 2021 and the conversion price will be repriced to \$0.10 (10 cents). On conversion of these restructured Convertible Notes, remaining noteholders will also be entitled to one (1) free attaching option for every two (2) shares subsequently issued, on the same terms as the options issued under the Equity Raising. This Convertible Note restructure is subject to shareholder approval at a General Meeting to be held in due course. The Placement and the Rights Issue will proceed irrespective of whether shareholders approve the Convertible Note restructure.

Foster Stockbroking Pty Ltd and CCZ Statton Equities Pty Ltd are the Joint Lead Managers to the Equity Raising.

LAA's Executive Chairman, Tim Handley said: "LatAm Autos is delighted with the support from new and existing investors. The proceeds from this equity raising, reduction of debt and term extension of the remaining convertible notes, has significantly strengthened the company's balance sheet. This will enable the company to focus on the ongoing scaling of its Motorfy and online classifieds businesses".

Rights Issue Timetable

Eligible Shareholders are those shareholders whose registered address are within Australia or New Zealand as at 7:00pm (AEST) on Thursday 20 June 2019 ("Record Date"). Shareholders with a registered address outside Australia or New Zealand at the Record Date will not be eligible to participate in the Rights Issue.

Fractional entitlements will be rounded up to the nearest whole number and the shares issued under the Rights Issue will rank equally with the Company's fully paid ordinary shares on issue.

The proposed timetable* for the Rights Issue is as follows:

EVENT	DATE
Rights Issue announced and Appendix 3B lodged with ASX and Prospectus lodged with ASIC	Friday, 14 June 2019
Notice of Offers sent to Shareholders	Monday, 17 June 2019
Shares quoted ex Rights	Wednesday, 19 June 2019
Record Date	Thursday, 20 June 2019
Prospectus and Entitlement and Acceptance Form dispatched to Shareholders	Monday, 24 June 2019
Closing Date (5.00pm AEST)	Wednesday, 3 July 2019



New Shares quoted on a deferred settlement basis	Thursday, 4 July 2019
Notification to ASX of Shortfall Offer	Monday, 8 July 2019
Issue date for New Shares and New Options (including Shortfall Offer) Deferred settlement trading ends	Wednesday, 10 July 2019
Commencement of trading of New Shares (Normal trading of Shares resumes)	Thursday, 11 July 2019

** Note: This timetable is indicative only and subject to change. The Company reserves the right to change the dates, including the Closing Date without prior notice, subject to the Listing Rules. Any extension of the Closing Date will have a consequential effect on the anticipated date for allotment and issue of the new shares.*

Full details of the terms and conditions of the Right Issue are contained in the Prospectus lodged with ASIC and ASX and which will be despatched to Eligible Shareholders in accordance with the timetable set out above.

Addition of two highly experienced Directors to the Board

The Company is pleased to announce that two new Directors have agreed to join the Board of Directors, Donald Cahill and Joe Hanna. In addition to these changes, Tim Handley will transition to a Non-Executive Director role and Mike Fitzpatrick will assume role of interim Chairman until the Board appoints an independent Chairman.

These changes are expected to be effective on or around the completion of the Equity Raising.

Donald Cahill is a Canadian national with over 22 years' experience in the technology sector working for Brightstar (founding member - sold to SoftBank in 2014) and BBSS (a Softbank company). Mr Cahill currently works as an executive advisory role with BBSS, but also works identifying opportunities for Softbank's investment funds in the Americas. Mr Cahill is based in Silicon Valley and has a substantial understanding of the South American and Mexican markets.

Mr Cahill said today *"Latin America is experiencing significant innovation and disruption and I first hand am seeing the shift of new funds moving to the region. LatAm Autos is clearly one of the transformative companies leading this disruption and I'm excited to join the team."*

Joe Hanna is an Australian with significant experience in Latin America, most notably Mitula. He has over 23 years digital product and technology experience and over 20 years in online classifieds and search experience. Mr Hanna founded 'Modern Search' which merged with 'Mitula Classifieds' in 2010. Mr Hanna was instrumental in the IPO of Mitula Group Limited on the ASX (ASX:MUA) in 2015 where he served as Non-Executive Director until it was sold in 2019 to Lifull (TSE:2120). Mr Hanna holds a Bachelor of Business (Hons), Computing major from the University of Victoria. Mr Hanna also serves as an Executive Director of ASX listed Real Estate Investar Group Limited (ASX:REV), a real-estate investment platform.



Mr Hanna said today *"Through my previous experience at Mitula, which has a significant presence in Mexico, I've seen the potential of the Mexican market from an online classifieds and fintech perspective, and LatAm Autos has developed a market leading business combining both. In Latin America, offering finance options to car buyers has been a key to success in classifieds business models"*

Executive Chairman Tim Handley commented:

"We are excited to welcome Donald and Joe to the LatAm Autos team, they bring a wealth of Latin American and online classifieds experience to the Board. Both are experienced executives in highly successful technology companies, have significant operational and product expertise, and a track record of creating value for stakeholders."

-Ends-

For more information, please contact:

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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.