

7 April 2020

Update announcement

Melbourne – 7 April 2020: LatAm Autos Limited (ASX: LAA) (**LAA** or the **Company**) provides the following general update in relation to a number of matters.

COVID-19 update

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus, SARS-CoV-2 (which causes an illness known as COVID-19), as a pandemic. This virus continues to spread throughout Latin America and has caused significant volatility in Latin America and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on Latin America and specifically on countries in which the Company operates, such as Ecuador and Mexico. Accordingly, the Company is unable to determine at this stage if it will have a material impact to its operations.

The specific impacts of these changes on the Company and its business are being closely monitored by the Company's board and management team, and regular updates on those impacts are being provided to the market as appropriate.

Investors need to be aware that the effects and impacts of COVID-19 are unpredictable, and the Company is not currently in a position to provide any guidance as to how long these effects may last, what other changes may be made by governments, regulators and other parties as they respond to the virus and accordingly what impact this may ultimately have on the Company and its business.

Cost reduction program

As part of the broader restructure of the Company's affairs, in conjunction with the de-listing announced on 26 February 2020 and approved by shareholders on 31 March 2020, the Company is undertaking an extensive cost reduction program in order to be able to streamline its business.

The goal is to have a strong sustainable business, while maintaining the ability to be a high growth company in the future. Cost reductions will continue into 2Q 2020 with the target to have the Company's cost structure more in line with its revenue.

Progress with potential strategic opportunities

The Company is in discussions with a number of parties regarding potential strategic partnerships, including the potential sale of certain parts of the Company's business.

While certain discussions have progressed to a due diligence phase, at this point there been no formal proposals received or binding agreements entered and, accordingly, these discussions are incomplete and are not sufficiently definite to have warranted any additional disclosure.

Argentinian Tax Liability

The Company is in discussions with an Argentinian tax authority relating to a historical matter concerning its Argentinian subsidiary. These discussions have not been finalised, though they have the potential to result in a final liability to the Company of between \$90,000 to \$170,000. This matter relates to a period prior to when the Company purchased the Argentinian legal entity in 2014.

The Company is also aware of a second historical matter with an Argentinian tax authority. This matter has not been resolved and continues to be contested. The Company estimates that this may result in a potential liability of between approximately \$200,000 and 300,000.

-Ends-

This announcement was authorised for release by the Board of Directors of LatAm Autos Limited.

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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.