

LatAm Autos Limited

ABN 12 169 063 414

Appendix 4E

SUMMARY RESULTS FOR THE YEAR ENDED 31 December 2018

Summary Statutory & Proforma Financial Results	2018 \$'000	2017 \$'000	Movement \$'000	Change
Revenues from continuing operations	7,544	5,566	1,978	36%
Loss after income tax (expense)/benefit for the year attributable to the owners of LatAm Autos Limited	(13,133)	(13,950)	817	-6%
EBITDA	(9,080)	(9,651)	571	-6%
Adjusted EBITDA*	(7,929)	(9,133)	1,204	-13%

*Adjusted for exclusion of share based payments under the STI and LTI employee incentive program

LatAm Autos Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	LatAm Autos Limited
ABN:	12 169 063 414
Reporting period:	For the year ended 31 December 2018
Previous period:	For the year ended 31 December 2017

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	29.1% to	7,563
Loss from ordinary activities after tax attributable to the owners of LatAm Autos Limited	down	5.9% to	(13,133)
Loss for the year attributable to the owners of LatAm Autos Limited	down	5.9% to	(13,133)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Consolidated Entity after providing for income tax amounted to \$13,133,000 (31 December 2017: \$13,950,000).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.55)</u>	<u>(0.67)</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

This report, and the accompanying financial statements, are based upon accounts which are in the process of being audited.

11. Attachments

Unaudited summary consolidated financial statements for LatAm Autos Limited and its controlled entities for the period ended 31 December 2018 are attached.

12. Signed

Signed  _____

Date: 28 February 2019

LatAm Autos Limited

ABN 12 169 063 414

Summary financial statements - 31 December 2018

LatAm Autos Limited
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31 December 2018

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LatAm Autos Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2018

	Note	Consolidated 2018 \$'000	2017 \$'000
Revenue from continuing operations		7,544	5,566
Expenses			
Commissions and rebates expense		(1,368)	(1,224)
Printing costs		(612)	(567)
Advertising expenses		(2,841)	(3,066)
Employee benefits expense		(7,801)	(6,433)
Depreciation and amortisation expense		(2,143)	(1,997)
Impairment of assets		(258)	(180)
Operating lease expense		(508)	(454)
Professional and consulting fees expense		(1,394)	(1,518)
Travel expense		(241)	(299)
Technology expenses		(555)	(461)
Loss on redemption of convertible notes		(235)	-
Other expenses		(1,304)	(1,195)
Finance costs and related costs		(1,304)	(914)
Loss before income tax (expense)/benefit from continuing operations		(13,020)	(12,742)
Income tax (expense)/benefit		(41)	257
Loss after income tax (expense)/benefit from continuing operations		(13,061)	(12,485)
Loss after income tax expense from discontinued operations	4	(72)	(1,465)
Loss after income tax (expense)/benefit for the year attributable to the owners of LatAm Autos Limited		(13,133)	(13,950)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation - exchange differences on translating foreign operations and subsidiaries		2,172	(1,914)
Other comprehensive income for the year, net of tax		2,172	(1,914)
Total comprehensive income for the year attributable to the owners of LatAm Autos Limited		<u>(10,961)</u>	<u>(15,864)</u>
Total comprehensive income for the year is attributable to:			
Continuing operations		(10,902)	(14,136)
Discontinued operations		(59)	(1,728)
		<u>(10,961)</u>	<u>(15,864)</u>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

LatAm Autos Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2018

	Note	Consolidated 2018 \$'000	2017 \$'000
		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of LatAm Autos Limited			
Basic earnings per share		(3.44)	(3.99)
Diluted earnings per share		(3.44)	(3.99)
Earnings per share for loss from discontinued operations attributable to the owners of LatAm Autos Limited			
Basic earnings per share		(0.02)	(0.47)
Diluted earnings per share		(0.02)	(0.47)
Earnings per share for loss attributable to the owners of LatAm Autos Limited			
Basic earnings per share		(3.46)	(4.46)
Diluted earnings per share		(3.46)	(4.46)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

LatAm Autos Limited
Consolidated statement of financial position
As at 31 December 2018

	Note	Consolidated 2018 \$'000	2017 \$'000
Assets			
Current assets			
Cash and cash equivalents		6,600	6,789
Trade and other receivables		2,838	4,063
Other		371	301
Total current assets		<u>9,809</u>	<u>11,153</u>
Non-current assets			
Other receivables	5	889	-
Plant and equipment		352	352
Intangibles	6	23,321	21,811
Deferred tax		593	548
Total non-current assets		<u>25,155</u>	<u>22,711</u>
Total assets		<u>34,964</u>	<u>33,864</u>
Liabilities			
Current liabilities			
Trade and other payables		4,780	3,128
Employee benefits		1,047	837
Provisions		45	156
Contract liabilities - deferred service income		260	287
Total current liabilities		<u>6,132</u>	<u>4,408</u>
Non-current liabilities			
Deferred tax		624	612
Employee benefits		254	230
Convertible note	7	6,913	9,122
Total non-current liabilities		<u>7,791</u>	<u>9,964</u>
Total liabilities		<u>13,923</u>	<u>14,372</u>
Net assets		<u>21,041</u>	<u>19,492</u>
Equity			
Issued capital	8	76,306	63,970
Other contributed equity	9	1,693	1,491
Reserves	10	1,858	(50)
Accumulated losses		<u>(58,816)</u>	<u>(45,919)</u>
Total equity		<u>21,041</u>	<u>19,492</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

LatAm Autos Limited
Consolidated statement of changes in equity
For the year ended 31 December 2018

Consolidated	Issued capital \$'000	Share based payments reserve \$'000	Foreign currency translation reserve \$'000	Other contributed equity \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2017	59,647	230	1,470	-	(31,969)	29,378
Loss after income tax benefit for the year	-	-	-	-	(13,950)	(13,950)
Other comprehensive income for the year, net of tax	-	-	(1,914)	-	-	(1,914)
Total comprehensive income for the year	-	-	(1,914)	-	(13,950)	(15,864)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (note 8)	4,155	-	-	-	-	4,155
Share-based payments	168	164	-	-	-	332
Value of conversion rights on convertible notes	-	-	-	1,394	-	1,394
Other contributed equity	-	-	-	97	-	97
Balance at 31 December 2017	<u>63,970</u>	<u>394</u>	<u>(444)</u>	<u>1,491</u>	<u>(45,919)</u>	<u>19,492</u>

Consolidated	Issued capital \$'000	Share based payments reserve \$'000	Foreign currency translation reserve \$'000	Other contributed equity \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2018	63,970	394	(444)	1,491	(45,919)	19,492
Loss after income tax expense for the year	-	-	-	-	(13,133)	(13,133)
Other comprehensive income for the year, net of tax	-	-	2,172	-	-	2,172
Total comprehensive income for the year	-	-	2,172	-	(13,133)	(10,961)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (note 8)	12,336	-	-	-	-	12,336
Share-based payments	-	162	-	-	-	162
Other contributed equity	-	-	-	202	-	202
AABS 9 First Adoption	-	-	-	-	(190)	(190)
Transfer of reserve	-	(426)	-	-	426	-
Balance at 31 December 2018	<u>76,306</u>	<u>130</u>	<u>1,728</u>	<u>1,693</u>	<u>(58,816)</u>	<u>21,041</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

LatAm Autos Limited
Consolidated statement of cash flows
For the year ended 31 December 2018

	Note	Consolidated 2018 \$'000	2017 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST and equivalents)		9,846	7,024
Payments to suppliers and employees (inclusive of GST and equivalents)		(16,502)	(17,324)
		(6,656)	(10,300)
Interest received		36	10
Other - net sales tax paid		(120)	(69)
Net cash used in operating activities		(6,740)	(10,359)
Cash flows from investing activities			
Payments for plant and equipment		(123)	(35)
Payments for intangibles		(702)	(1,008)
Net cash used in investing activities		(825)	(1,043)
Cash flows from financing activities			
Proceeds from issue of shares	8	10,687	4,663
Proceeds from convertible note		-	10,000
Capital raising costs		(357)	(1,069)
Repayment of convertible note		(2,945)	-
Net cash from financing activities		7,385	13,594
Net increase/(decrease) in cash and cash equivalents		(180)	2,192
Cash and cash equivalents at the beginning of the financial year		6,789	4,915
Effects of exchange rate changes on cash and cash equivalents		(9)	(318)
Cash and cash equivalents at the end of the financial year		<u>6,600</u>	<u>6,789</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

LatAm Autos Limited
Notes to the consolidated financial statements
31 December 2018

Note 1. General information

The financial statements cover LatAm Autos Limited as a Consolidated Entity consisting of LatAm Autos Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is LatAm Autos Limited's functional and presentation currency.

LatAm Autos Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 4
100 Albert Road
South Melbourne VIC 3205, Australia
Tel: +61 (3) 9692 7222

Principal place of business

Latamautos Corporación S.A.
Isla Pinzon y Tomas de Berlanga
Quito, Ecuador
Tel: +593 2 393 2200

Note 2. Significant accounting policies

This financial report has been prepared in accordance with International Financial Reporting Standards, other authoritative pronouncements and Interpretations of the Australian Accounting Standards Board and the Corporations Act 2001.

This financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 31 December 2017, the 30 June 2018 half-year financial report and any public announcements made by LatAm Autos Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Note 3. Operating segments

Identification of reportable operating segments

The Consolidated Entity operates in one industry, being the provision of online auto classified services, and there are five operating business segments that are determined on the basis of geographic information.

The operating segments are analysed by the Chief Executive Officer and the Board of Directors (collectively identified as the Chief Operating Decision Makers ('CODM')), based on the internal reports that are reviewed and used by the CODM in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews revenues, relevant expenses and Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

The reportable segments are:

Argentina	Mexico
Ecuador	Peru
Panama	

Business activities are also carried out in Bolivia, however these are not material and, for the purposes of reporting to the CODM, this financial information is included in the Ecuador reportable segment.

Intersegment transactions

There were no material intersegment transactions during the reporting period.

LatAm Autos Limited
Notes to the consolidated financial statements
31 December 2018

Major customers

The Consolidated Entity does not have a major customer that contributes more than 10% or more to the Consolidated Entity's revenue.

Consolidated - 2018	Argentina \$'000	Ecuador \$'000	Panama \$'000	Mexico \$'000	Peru \$'000	Total reportable segments \$'000
Revenue						
Sales to external customers	9	3,308	-	3,747	339	7,403
Total sales revenue	9	3,308	-	3,747	339	7,403
Operating expenses	(34)	(3,318)	(8)	(7,244)	(493)	(11,097)
EBITDA	(25)	(10)	(8)	(3,497)	(154)	(3,694)
Consolidated - 2017	Argentina \$'000	Ecuador \$'000	Panama \$'000	Mexico \$'000	Peru \$'000	Total segments \$'000
Revenue						
Sales to external customers	235	2,808	54	2,215	423	5,735
Total sales revenue	235	2,808	54	2,215	423	5,735
Operating expenses	(1,310)	(2,772)	(167)	(6,165)	(594)	(11,009)
EBITDA	(1,076)	36	(113)	(3,950)	(171)	(5,274)

The segment report above has been prepared on a local statutory basis. Mexico is invoiced for various expenses of other countries for operational reasons. In 2018 Mexico had approximately \$755,000 worth of operating expenses that relate to other countries that the Company operates in. If this amount was to be reallocated Mexico's operating expenses would decrease by approximately \$755,000 and other countries operating expenses would increase by the same value.

The total Revenue and Loss after income tax presented in the Consolidated Entity's operating segments reconcile to the corresponding key financial figures as presented in its Statement of profit or loss and other comprehensive income as follows:

	2018 \$'000	2017 \$'000
Revenue		
Total reportable segment revenues	7,403	5,735
Interest income	31	10
Other revenue	129	114
Group revenues	7,563	5,859
	2018 \$'000	2017 \$'000
Profit or loss		
Total reportable segment EBITDAs	(3,694)	(5,274)
Interest income	31	10
Other revenue	129	114
Foreign exchange loss		(44)
Financial expenses	(1,309)	(942)
Depreciation and amortisation expenses	(2,145)	(2,016)
Share-based payments expense	(1,319)	(518)
Impairment	(296)	(378)
Loss on redemption of convertible notes	(235)	
Other non-reportable segment expenses	(4,254)	(5,123)
Income tax (expense)/benefit	(41)	221
Group loss after income tax expense/benefit	(13,133)	(13,950)

Note 3. Operating segments (continued)

Geographical information

	Sales to external customers		Geographical non-current assets	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Argentina	9	235	-	-
Ecuador	3,308	2,808	13,723	13,070
Panama	-	54	7	6
Mexico	3,747	2,215	8,079	7,267
Peru	339	423	1,863	1,824
	<u>7,403</u>	<u>5,735</u>	<u>23,672</u>	<u>22,167</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 4. Discontinued operations

Description

The Argentinian and Panamanian operations were discontinued in 2017 with the offices being closed and those companies no longer having marketing or employee expenses.

Financial performance information

	Consolidated	
	2018 \$'000	2017 \$'000
Revenue	18	293
Commissions and rebate expenses	-	(2)
Production costs	-	(50)
Marketing expenses	-	(223)
Employee benefits expense	(12)	(771)
Depreciation and amortisation expense	(2)	(20)
Impairment of assets	(38)	(198)
Operating lease expense	-	(78)
Professional and consulting fees expense	(29)	(262)
Other expenses	(4)	(90)
Finance costs and related costs	(5)	(28)
Total expenses	<u>(90)</u>	<u>(1,722)</u>
Loss before income tax expense	(72)	(1,429)
Income tax expense	-	(36)
Loss after income tax expense from discontinued operations	<u>(72)</u>	<u>(1,465)</u>

LatAm Autos Limited
Notes to the consolidated financial statements
31 December 2018

Cash flow information

	Consolidated	
	2018	2017
	\$'000	\$'000
Net cash used in operating activities	(111)	(1,279)
Net cash used in investing activities	-	(1)
	<u> </u>	<u> </u>
Net decrease in cash and cash equivalents from discontinued operations	<u><u>(111)</u></u>	<u><u>(1,280)</u></u>

Note 5. Other receivables

	Consolidated	
	2018	2017
	\$'000	\$'000
Sales tax receivables – non-current	889	-
	<u><u> </u></u>	<u><u> </u></u>

Note 6. Intangibles

	Consolidated	
	2018	2017
	\$'000	\$'000
Goodwill - at cost	19,027	17,247
Software - at cost	7,484	6,104
Less: Accumulated amortisation - software	(5,246)	(3,535)
	<u>2,238</u>	<u>2,569</u>
Domain names and trademarks - at cost	2,763	2,503
Less: Accumulated amortisation - domain names and trademarks	(712)	(537)
	<u>2,051</u>	<u>1,966</u>
Content - at cost	141	133
Less: Accumulated amortisation - content	(136)	(104)
	<u>5</u>	<u>29</u>
	<u><u>23,321</u></u>	<u><u>21,811</u></u>

LatAm Autos Limited
Notes to the consolidated financial statements
31 December 2018

Note 6. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Content \$'000	Domain names and trademarks \$'000	Software \$'000	Goodwill \$'000	Total \$'000
Balance at 1 January 2017	68	2,293	3,562	18,248	24,171
Additions	-	-	1,008	-	1,008
Amortisation expense	(35)	(170)	(1,618)	-	(1,823)
Exchange differences	(4)	(157)	(383)	(1,001)	(1,545)
Balance at 31 December 2017	29	1,966	2,569	17,247	21,811
Additions	-	-	731	-	731
Amortisation expense	(34)	(173)	(1,779)	-	(1,986)
Exchange differences	10	258	717	1,780	2,765
Balance at 31 December 2018	<u>5</u>	<u>2,051</u>	<u>2,238</u>	<u>19,027</u>	<u>23,321</u>

For the purpose of ongoing annual impairment testing goodwill is allocated to the following cash-generating units, which are the units expected to benefit from the synergies of the business combinations in which the goodwill arises.

	Consolidated	
	2018	2017
	\$'000	\$'000
Demotores.com.mx & Seminuevos.com (Mexico)	7,241	6,523
PatioTuerca.com (Ecuador, Panama, Bolivia)	10,112	9,128
Todoautos.pe (Peru)	<u>1,674</u>	<u>1,596</u>
Goodwill allocation at 31 December	<u>19,027</u>	<u>17,247</u>

Identifiable intangible assets with finite lives - remaining amortisation periods

Domain names and trademarks - 10.97 years
Software - 0.98 years
Content - fully amortised

Note 7. Convertible Note

	Consolidated	
	2018	2017
	\$'000	\$'000
Convertible note	<u>6,913</u>	<u>9,122</u>

LatAm Autos Limited
Notes to the consolidated financial statements
31 December 2018

The key terms of the Notes are as follows:

- 3 year term
- 8% p.a. interest rate paid quarterly or capitalised
- Fixed conversion price of \$0.16
- The convertible notes are secured over the Company's Mexican and Ecuadorean wholly owned subsidiaries
- The convertible notes can be repaid at any time by LatAm Autos, where noteholders can elect to receive the money owing in either cash or ordinary shares in LatAm Autos at 16 cents. Conversion into ordinary shares will be subject to requisite regulatory and shareholder approvals

The convertible note is a hybrid financial instrument which contains debt and equity components.

In October-2018 the company applied a partially early redemption. The total amount redeemed was A\$3.8 million paid A\$2.9 million in cash and A\$855 thousand in shares. This payment does not change the original conditions of the convertible note in terms of time, interest or conversion price.

The convertible notes are presented in the Statement of financial position as follows:

	Consolidated	
	2018	2017
	\$'000	\$'000
Fair value of notes to be issued	9,122	10,000
Other equity securities - value of convertible rights	-	(1,450)
	<u>9,122</u>	<u>8,550</u>
Expenses associated with the liability component	-	(326)
Redemption payment	(3,727)	-
Loss on redemption	235	-
Interest expense *	1,283	898
Non-current liability	<u>6,913</u>	<u>9,122</u>

*Interest expense is calculated by applying the effective interest rate of 17.5% to the liability component.

Note 8. Issued capital

	Consolidated			
	2018	2017	2018	2017
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	<u>417,741,679</u>	<u>344,746,954</u>	<u>76,306</u>	<u>63,970</u>

Note 8. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 January 2017	310,258,777		59,647
Share issue to employees	17 July 2017	1,917,500	\$0.0000	168
Issue of placement shares	15 December 2017	32,570,677	\$0.1400	4,560
Costs of issuing shares		-	\$0.0000	(405)
Balance	31 December 2017	344,746,954		63,970
Issue of placement shares	12 January 2018	855,437	\$0.1400	117
Issue of shares for consulting services rendered	12 January 2018	195,631	\$0.1124	20
Issue of shares for consulting services rendered	12 January 2018	491,001	\$0.1120	50
Issue of placement shares	19 January 2018	11,935,261	\$0.1400	1,671
Issue of placement shares	04 April 2018	5,850,376	\$0.1400	819
Share issue to employees	14 June 2018	6,379,498	\$0.1400	893
Issue of shares for consulting services rendered	14 June 2018	207,056	\$0.1328	27
Exercise of unlisted options	21 August 2018	1,293,810	\$0.1700	220
Exercise of unlisted options	31 August 2018	17,857	\$0.1700	3
Issue of placement shares	10 September 2018	40,000,000	\$0.2000	8,000
Issue of fully paid ordinary shares upon conversion of Convertible Notes	19 October 2018	5,343,750	\$0.1600	855
Issue of shares for consulting services rendered	19 October 2018	342,857	\$0.1400	48
Issue of shares for consulting services rendered	19 October 2018	82,191	\$0.1825	15
Cost of issuing shares		-	\$0.0000	(326)
Difference in carrying amount of convertible note on redemption		-	\$0.0000	(76)
Balance	31 December 2018	<u>417,741,679</u>		<u>76,306</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

LatAm Autos Limited
Notes to the consolidated financial statements
31 December 2018

Note 9. Other contributed equity

	Consolidated	
	2018	2017
	\$'000	\$'000
Convertible note	1,394	1,394
Other contributed equity	299	97
	<u>1,693</u>	<u>1,491</u>

Note 10. Reserves

	Consolidated	
	2018	2017
	\$'000	\$'000
Foreign currency reserve	1,728	(444)
Share-based payments reserve	130	394
	<u>1,858</u>	<u>(50)</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share based payments reserve \$'000	Foreign currency Translation reserve \$'000	Total \$'000
Balance at 1 January 2017	230	1,470	1,700
Foreign currency translation	-	(1,914)	(1,914)
Share based employee incentives expense	164	-	164
Balance at 31 December 2017	394	(444)	(50)
Foreign currency translation	-	2,172	2,172
Share based employee incentives expense	162	-	162
Adjustment previous year	(426)	-	(426)
Balance at 31 December 2018	<u>130</u>	<u>1,728</u>	<u>1,858</u>

Note 11. Events after the reporting period

On 05 February 2019, the Company issued a 222,737 fully paid ordinary shares at an issue price of \$0.2155 to a consultant in consideration of services provided and 390,000 fully paid ordinary shares at an issue price of \$0.20 per share to an employee.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.