



LATAM AUTOS LIMITED
ABN 12 169 063 414

Notice of General Meeting

Explanatory Notes and Proxy Form

Date of Meeting:
Thursday, 31 October 2019

Time of Meeting:
10:00 AM (AEDT)

Place of Meeting:
Collins Square, Kennedy Room
Level 22, Tower 5, 727 Collins Street, Melbourne VIC 3008

This Notice of General Meeting and Explanatory Notes should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay

LATAM AUTOS LIMITED

ABN 12 169 063 414

Registered Office: Level 4, 100 Albert Road, South Melbourne VIC 3205

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of shareholders of LatAm Autos Limited will be held at Collins Square, Kennedy Room, Level 22, Tower 5, 727 Collins Street, Melbourne VIC 3008, at 10:00AM (AEDT) on Thursday, 31 October 2019.

AGENDA

The Explanatory Notes and proxy form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Notes and the proxy form in their entirety.

Resolution 1: Ratification of Placement of Shares to Professional and Sophisticated Investors (Non-Related Parties)

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve and ratify the issue of 58,170,646 fully paid ordinary shares to professional and sophisticated investors under a placement on 20 June 2019 (“Placement”).”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution 1 by:

- a) a person who participated in the issue; and
- b) an associate of a person who participated in the issue.

However, the Company need not disregard a vote if:

- c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 2: Approval of Issue of Attaching Options to Professional and Sophisticated Investors (Non-Related Parties)

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval be given in respect of the issue of 29,085,323 options to professional and sophisticated investors who participated in the Placement as attaching options on the basis of one (1) attaching option for every two (2) shares issued under the Placement (“Attaching Options”), on the terms and conditions set out in the Explanatory Notes to Resolution 2 accompanying the Notice of Meeting.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution 2 by:

- a) a person who may participate in the issue; and
- b) an associate of a person who participates in the issue.

However, the Company need not disregard a vote if:

- c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 3: Approval of Issue of Shares and Attaching Options to Mr Joe Hanna, a Director of the Company, or his Nominee

To consider and, if thought fit, to pass with or without amendment, the following resolution as ordinary resolutions:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given in respect of the issue of 454,545 fully paid ordinary shares and 227,272 Attaching Options on the basis of one (1) attaching option for every two (2) shares, to Mr Joe Hanna, a related party of the Company, or his nominee under a placement on the terms and conditions set out in the Explanatory Notes to Resolution 3 accompanying the Notice of Meeting.”

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 3 by:

- a) Mr Joe Hanna; and
b) an associate of Mr Joe Hanna.

However, the Company need not disregard a vote if:

- c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 4: Approval of Issue of Shares and Attaching Options to Startive Ventures Inc., an entity controlled by Mr Simon Clausen, a Director of the Company

To consider and, if thought fit, to pass with or without amendment, the following resolution as ordinary resolutions:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given in respect of the issue of 4,149,046 fully paid ordinary shares and 2,074,523 attaching options on the basis of one (1) attaching option for every two (2) shares, to Startive Ventures Inc., a related party of the Company, under a placement on the terms and conditions set out in the Explanatory Notes to Resolution 4 accompanying the Notice of Meeting.”

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 4 by:

- a) Startive Ventures Inc.; and
b) an associate of Startive Ventures Inc.

However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 5: Approval of Issue of Shares and Attaching Options to Professional and Sophisticated Investors (Non-Related Parties) following Redemption of Convertible Notes

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval be given in respect of the issue of up to 18,270,481 fully paid ordinary Shares at an issue price of \$0.055 (5.5 cents) per Share, with up to 9,135,240 Attaching Options on the basis of one (1) attaching option for every two (2) shares

issued, to professional and sophisticated investors, following a redemption of secured convertible notes held by those professional and sophisticated investors, on the terms and conditions set out in the Explanatory Notes to Resolution 5 accompanying the Notice of Meeting.”

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 5 by:

- a) a person who may participate in the issue; and
- b) an associate of a person who participates in the issue.

However, the Company need not disregard a vote if:

- c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 6: Approval of issues of Shares and Attaching Options to Startive Ventures Inc., an entity that is controlled by Mr Simon Clausen, Director of the Company

To consider and, if thought fit, to pass with or without amendment, the following resolution as ordinary resolutions:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given in respect of the acquisition of:

- (a) up to 3,442,604 fully paid ordinary shares in the Company at an issue price of \$0.055 (5.5 cents) per Share on redemption of convertible notes and subscription for equity in the Company (**Subscription Shares**);*
- (b) up to 1,721,302 Attaching Options on the basis of one (1) Attaching Option for every two (2) Subscription Shares issued (**Subscription Options**);*
- (c) up to 1,721,302 fully paid ordinary shares in the Company, on the basis of 1 share being acquired on the exercise of 1 Subscription Option;*
- (d) up to 6,899,133 fully paid ordinary shares in the Company, to be acquired on conversion of convertible notes remaining on issue following the redemption contemplated by paragraph (a) and accrued interest, on the terms which are contemplated as being amended by Resolution 8 (**Conversion Shares**);*
- (e) up to 3,449,566 options (**Conversion Options**), to be acquired on issue of Conversion Shares, on the terms which are contemplated as being adjusted by Resolution 8; and*
- (f) up to 3,449,566 fully paid ordinary shares in the Company, on the basis of 1 share being acquired on the exercise of 1 Conversion Option,*

by Startive Ventures Inc., an entity that is controlled Mr Simon Clausen who is a Director of the Company, on the terms and conditions set out in the Explanatory Notes to Resolution 7 accompanying the Notice of Meeting.”

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 6 by:

- a) Startive Ventures Inc.; and
- b) an associate of Startive Ventures Inc.

However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.
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Interdependency of Resolution 6

Resolution 6 is dependent on the passage of Resolutions 7 and 8.

Resolution 7: Approval of Issue of Shares and attaching Options to Log Creek Pty Ltd (A.C.N. 100 874 851), an entity that is controlled by Mr Michael Fitzpatrick, Director of the Company

To consider and, if thought fit, to pass with or without amendment, the following resolution as ordinary resolutions:

“That for the purposes of ASX Listing Rule 10.11, item 7 of section 611 of the Corporations Act and for all other purposes, approval be given in respect of the acquisition of:

- (a) up to 36,363,636 fully paid ordinary shares in the Company at an issue price of \$0.055 (5.5 cents) per Share on redemption of convertible notes and subscription for equity in the Company (**Subscription Shares**);*
- (b) up to 18,181,818 Attaching Options on the basis of one (1) Attaching Option for every two (2) Subscription Shares issued (**Subscription Options**);*
- (c) up to 18,181,818 fully paid ordinary shares in the Company, on the basis of 1 share being acquired on the exercise of 1 Subscription Option;*
- (d) up to 46,829,493 fully paid ordinary shares in the Company, to be acquired on conversion of convertible notes remaining on issue following the redemption contemplated by paragraph (a) and accrued interest, on the terms which are contemplated as being amended by Resolution 8 (**Conversion Shares**);*
- (e) up to 23,414,747 options (**Conversion Options**), to be acquired on issue of Conversion Shares, on the terms which are contemplated as being adjusted by Resolution 8; and*
- (f) up to 23,414,747 fully paid ordinary shares in the Company, on the basis of 1 share being acquired on the exercise of 1 Conversion Option,*

by Log Creek Pty Ltd (A.C.N. 100 874 851), an entity that is controlled by Mr Michael Fitzpatrick who is a Director of the Company, on the terms and conditions set out in the Explanatory Notes to Resolution 7 accompanying the Notice of Meeting.”

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 7 by:

- a) Log Creek Pty Ltd; and
- b) an associate of Log Creek Pty Ltd.

However, the Company need not disregard a vote if:

- c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Interdependency of Resolution 7

Resolution 7 is dependent on the passage of Resolutions 6 and 8.

Resolution 8: Approval to amend the terms of Convertible Notes

To consider and, if thought fit, to pass with or without amendment, the following resolution as ordinary resolutions:

“That for the purposes of ASX Listing Rules 7.1 and 10.11, item 7 of section 611 of the Corporations Act, and for all other purposes, approval be given in respect of the amendment of the terms of the convertible

notes held by Log Creek Pty Ltd and Startive Ventures Inc. following the redemption of convertible notes contemplated by Resolutions 6 and 7, having a total value approximately \$4,174,001.56 (not including interest), so as to extend the maturity date of the notes to 31 July 2021, reduce the conversion price to \$0.10 per share, and provide for the issue of options attaching to shares issued on conversion of the convertible notes, on the terms and conditions set out in the Explanatory Notes to Resolution 8 accompanying the Notice of Meeting.”

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 8 by:

- a) Log Creek Pty Ltd and Startive Ventures Inc.; and
- b) an associate of Log Creek Pty Ltd or Startive Ventures Inc.

However, the Company need not disregard a vote if:

- c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Interdependency of Resolution 8

Resolution 8 is dependent on the passage of Resolutions 6 and 7.

Interdependent Resolutions

Where it is indicated that a Resolution is dependent on one or more Resolutions, the approval of that Resolution is conditional on the approval of those other Resolutions.

Resolution 9: Approval of Options to Joint Lead Managers

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval be given in respect of the issue of a total of 10,000,000 options on the same term as the Attaching Options to Foster Stockbroking Pty Limited and CCZ Statton Equities Pty Ltd in consideration of services provided by those entities as joint lead managers of the Company’s recent capital raising activities (“JLM Options”), on the terms and conditions set out in the Explanatory Notes to Resolution 9 accompanying the Notice of Meeting.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution 9 by:

- a) a person who may participate in the issue; and
- b) an associate of a person who participates in the issue.

However, the Company need not disregard a vote if:

- c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 10: Increase in Aggregate Non-Executive Director Remuneration

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of clause 62.1 of the Constitution, ASX Listing Rule 10.17, and for all other purposes, the maximum aggregated annual Directors’ fees payable to Non-Executive Directors for the financial year from and including the year commencing 1 January 2019, be increased from \$350,000 per annum to \$500,000, as described in the Explanatory Statement which accompanies and forms part of this Notice.”

Voting Exclusion

The Company will disregard any votes cast in favour on Resolution 10 by any Director and any of their associates.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or by the Chairman of the meeting as proxy for a person who is entitled to vote and does not specify the way the proxy is to vote.

Further, a member of the Key Management Personnel and their closely related parties who are appointed proxy will not vote on this resolution unless the appointment specifies the way the proxy is to vote on the resolution or the proxy is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy even though this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 11: Approval of Proposed Issue of Fully Paid Ordinary Shares to Directors

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

Resolution 11(a)

“That for the purpose of Listing Rule 10.11 and for all other purposes and pursuant to an ASX waiver granted, Shareholder approval is given for the Company to issue Mr Joe Hanna (or his nominee), a Director of the Company, fully paid ordinary shares in satisfaction of Directors’ fees payable in the event Mr Hanna decides to take fully paid ordinary shares in lieu of a physical cash payment for fees and on the basis as set out in the accompanying Explanatory Statement.”

Resolution 11(b)

“That for the purpose of Listing Rule 10.11 and for all other purposes and pursuant to an ASX waiver granted, Shareholder approval is given for the Company to issue Mr Donald Cahill (or his nominee), a Director of the Company, fully paid ordinary shares in satisfaction of Directors’ fees payable in the event Mr Cahill decides to take fully paid ordinary shares in lieu of a physical cash payment for fees and on the basis as set out in the accompanying Explanatory Statement.”

Voting Exclusions


The Company will disregard any votes cast in favour of Resolutions 11(a) and 11(b) by:

- a) a person who may participate in the issue contemplated by that Resolution; and
- b) an associate of a person who may participate in the issue.

However, the Company need not disregard a vote if:

- c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

By Order of the Board of LatAm Autos Limited



Melanie Leydin

Company Secretary

Date: 26 September 2019

PROXY AND VOTING INSTRUCTIONS

1. For the purposes of the *Corporations Act*, the Company has determined that all securities of the Company recorded on the Company's register as at 7.00pm (AEDT) on the date 48 hours before the date of the General Meeting will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time.
 2. The details of the Resolutions contained in the Explanatory Notes accompanying this Notice of Meeting should be read together with, and forms part of this Notice of Meeting.
 3. A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
 4. If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.
 5. If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
 6. Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.
 7. If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.
 8. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the resolutions proposed in this Notice.
 9. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person excluded from voting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or where it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.
 10. A proxy form is attached. If required it should be completed, signed and returned to Boardroom Pty Limited in accordance with the instructions set out in the proxy form by no later than **10:00am (AEDT) on Tuesday, 29 October 2019**.
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EXPLANATORY NOTES

1. Background

1.1 The Company's recent capital raising

On 14 June 2019, LatAm Autos Limited ("LAA" or the "Company") announced an Equity Raising of up to \$10 million consisting of:

- fully committed \$3.2 million placement at \$0.055 per LAA share ("**Placement**");
- conditional \$0.25 million placement at \$0.055 per LAA share ("**Conditional Placement**"); and
- pro-rata non-renounceable 1:4 rights issue to raise up to \$6.6 million at \$0.055 per LAA share ("**Rights Issue**").

At the date of this Notice, the Company has raised approximately \$3 million through the Rights Issue.

To encourage shareholder participation and to maximise the amount of capital raised, the Company issued one attaching option for every two shares subscribed for under the Rights Issue. The options attaching are exercisable at 10 cents per option into one fully paid ordinary share, and have an expiry date of 13 August 2021 ("**Attaching Options**"). The Company has also committed, subject to obtaining shareholder approval, to issue participants in the Placement and the Conditional Placement with Attaching Options on the same basis as offered under the Rights Issue.

It is the expectation of participants in the Placement and the Conditional Placement that the Attaching Options will be issued to them. If the associated resolutions are not approved by LAA shareholders, then the ongoing support for the Company by these participants will be uncertain and they (and other investors) may not support future capital raisings.

In conjunction with the Equity Raising, the Company announced that it would seek to reduce its indebtedness by undertaking a restructure of the outstanding Convertible Notes as described below at section 1.2 ("**Convertible Note Restructure**"). LAA has entered into agreements with noteholders agreeing to a redemption and conversion to equity of approximately \$3.2 million of the existing loan balances through subscription for LAA shares at \$0.055 per share plus Attaching Options on the same one for two basis. The maturity date of the remaining Convertible Notes will be extended to 31 July 2021 and the conversion price will be repriced to \$0.10.

Remaining noteholders will also be entitled to one Attaching Option for every two shares subsequently issued on the conversion of the remaining notes.

The restructure of the Convertible Notes was driven by the Company's desire to strengthen its balance sheet and was necessary to attract institutional support for the Equity Raising. The reduction of the outstanding convertible notes to less than \$5 million and extension of the maturity date by 15 months will materially transform the financial position of LAA and provide "clear air" for LAA to deliver on its strategy and thereby create value for shareholders.

If the restructure does not proceed for whatever reason, LAA may need to raise a further approximately \$8 million by 30 April 2020 to redeem the Convertible Notes. If the Company is unable to raise the additional capital, the noteholders could proceed against the security¹ granted to them to secure the monies owing. Accordingly, should the Convertible Note Restructure not proceed the outlook for LAA will be highly uncertain and this could have substantial adverse implications for the LAA business and its share price.

Shareholders' participation at the General Meeting is important for the Company, and the Directors encourage every shareholder to read these materials in full and take part in the meeting, either by attending or (if you are not able to attend) by casting your vote by proxy. Details of how you can vote, either in person or by proxy, are set out in this Notice of Meeting.

The Directors² believe that the resolutions to be proposed at the General Meeting are in the best interests of the Company and its shareholders. Accordingly, the Directors unanimously recommend that shareholders vote in favour of the resolutions, as they intend to do in respect of their own beneficial holdings of shares in the Company (subject to any voting exclusions).

¹ The Convertible Notes are secured over assets of each the Company's Ecuadorian subsidiaries, Avisoriaweb S.A. and Latamautos Corporacion S.A., and the Company's Mexican subsidiary, Latamautos Mexico S. de R.L. de C.V. and all shares in each of those subsidiaries

² Subject to certain Directors abstaining from voting in respect of certain resolutions

1.2 Convertible Note restructure

The Company has 6,594,840 Convertible Notes on issue, each having a face value of \$1.00 bearing interest at 8% per annum (the total value of the Convertible Notes, including capitalised interest to 31 October 2019 being approximately \$7.87 million).

The Company has entered into agreements with its noteholders for the redemption of approximately \$3.2 million of the existing convertible note balance, and subscription for shares in the Company by the noteholders up to the redeemed amount of approximately \$3.2 million at \$0.055 (5.5 cents) per share plus Attaching Options on a one for two basis. The redemption of notes involves all four of the Company's current noteholders, two of which are related parties of the Company. Following the proposed redemption and subscription for equity, the two noteholders which are non-related parties of the Company will have had their entire holdings of Convertible Notes redeemed.

The Company has agreed with the remaining noteholders that the terms of the remaining Convertible Notes (which shall have a principal value of approximately \$4.2 million) shall be amended. The maturity date of the remaining Convertible Notes will be extended from 30 April 2020 to 31 July 2021, and the conversion price will be reduced from \$0.16 per share to \$0.10 per share. Further, on conversion of these restructured Convertible Notes, remaining noteholders will also be entitled to one free Attaching Option, on the same terms as the Attaching Options issued under the Rights Issue, and proposed to be issued under the Placement and Conditional Placement, for every two shares issued. This Convertible Note restructure is subject to shareholder approval, and is the subject of Resolutions 6, 7 and 8. It is a condition of the agreements entered into with the noteholders with respect to the Convertible Note restructure that the approvals sought under Resolutions 6, 7 and 8 be obtained. The Placement and the Rights Issue are not affected by whether shareholders approve the Convertible Note restructure.

1.3 Impact of the Placement, Conditional Placement and Convertible Note restructure on the Company's capital structure and on control and voting power

If the Resolutions set out in this Notice of Meeting are passed by Shareholders, the capital structure and control of the Company will be affected by the issue of shares and options (the exercise of which will result in the issue of further shares), and the alteration of the terms of Convertible Notes on issue, which will result in a greater number of shares being issued on conversion of those Notes than would be issued on the current terms.

(a) Impact of issues of Shares³

The issues of Shares which are subject to shareholder approval under Resolutions 3, 4, 5, 6 and 7 will result in the following indicative capital structure:

Shares on issue at the date of this Notice of Meeting	Shares to be issued under Resolution 3	Shares to be issued under Resolution 4	Shares to be issued under Resolution 5	Shares to be issued under Resolution 6	Shares to be issued under Resolution 7	Total Shares on issue if Resolutions 3, 4, 5, 6 and 7 are passed
528,365,353	454,545	4,149,046	18,270,481	3,442,604	36,363,636	591,045,665

(b) Impact of issues of Options⁴

The issues of Options, exercisable at \$0.10 each expiring 13 August 2021, which are subject to shareholder approval under Resolutions 2, 3, 4, 5, 6, 7 and 9 will result in the following indicative capital structure:

³ This does not take into account the issue of any Shares pursuant the exercise of options or to any placement of shortfall under the Rights Issue, which may take place after the date on which this Notice of Meeting was sent for printing.

⁴ This does not take into account the issue of any Attaching Options upon the issue of Shares pursuant to any placement of shortfall under the Rights Issue which may take place after the date on which this Notice of Meeting was sent for printing.

Options on issue at the date of this Notice of Meeting (exercisable at \$0.17 each, expiring 31 December 2019)	Options on issue at the date of this Notice of Meeting (exercisable at \$0.10 each, expiring 13 August 2021)	Options to be issued under Resolution 3	Options to be issued under Resolution 4	Options to be issued under Resolution 5	Options to be issued under Resolution 6	Options to be issued under Resolution 7	Options to be issued under Resolution 9
49,900,084	25,191,047	227,272	2,074,523	9,135,240	1,721,302	18,181,818	10,000,000

(c) Amendment of terms of Convertible Notes

The amendment contemplated by Resolution 8 of the terms of Convertible Notes on issue will result in the conversion price under the Convertible Notes being reduced from \$0.16 to \$0.10. Based on the approximate face value of the Notes subject of the amendment and the revised conversion price of \$0.10, up to 53,728,626 Shares would be issued upon conversion of the convertible notes and accrued capitalised interest, representing approximately 8.33% of the Company's post-conversion Shares (assuming all issues of Shares contemplated by the Resolutions set out in this Notice of Meeting). It is also proposed under Resolution 8 that shares issued on conversion of the amended Convertible Notes have attaching options on the basis of one option for every two Shares, exercisable at \$0.10 each, expiring 13 August 2021.

Assuming that:

- all Convertible Notes, with accrued capitalised interest, are converted to Shares at the proposed maturity date of 31 July 2021;
- no additional Shares are issued by the Company;
- the issue price at conversion is \$0.10 per Share; and
- the issues of Shares and Attaching Options pursuant to Resolutions 3, 4, 5, 6 and 7 immediately following the date of the General Meeting;

the indicative capital structure of the Company will be as follows:

Shares on Issue	Number of Shares
Total Shares on issue at the date of this Notice of Meeting	528,365,353
Minimum number of Shares to be issued on conversion of all Convertible Notes	53,728,626
Number of options attaching to minimum number of Shares to be issued on conversion of all Convertible Notes	26,864,312
Total Shares on issue following all issues	644,774,291
Total Attaching Options on Issue following all issues (exercisable at \$0.10 each, expiring 13 August 2021)	93,395,514

(d) Current and Potential Voting Power of Log Creek

The following table shows the current and potential voting power (assuming no other issues of Shares) of Log Creek upon the issue of Shares under Resolutions 6 and 7, and the conversion of Convertible Notes on the amended terms subject to Resolution 8.

	Number of Shares	Number of Attaching Options	Maximum Voting Power
Voting Power currently held	41,234,274	N/A	7.80% (current voting power)

Upon issue of Shares pursuant to Resolutions 5, 6 and 7	77,597,910	18,181,818	13.23%
Upon issue of Shares pursuant to Resolutions 5, 6 and 7 and exercise of all Options issued pursuant to Resolution 7	95,779,728	Nil	15.84%
Upon exercise of options expiring 31 December 2019 at \$0.17 per Share	99,351,157	Nil	16.33%
Upon conversion of only the Convertible Notes (including capitalised interest) held by Log Creek	146,180,650	23,414,747	22.31%
Upon conversion of all Convertible Notes (including capitalised interest) held by Startive and Log Creek	146,180,650	23,414,747	22.20%
Upon conversion of only the Convertible Notes (including capitalised interest) held by Log Creek and exercise of all Options issued on conversion of the Convertible Notes	169,595,397	Nil	25.00%

1.4 Impact on the Company's financial position

The following pro forma balance sheet indicates the impact of the Placement, as well as the potential impact of the Conditional Placement contemplated by Resolutions 3 and 4, and the redemption of the Convertible Notes contemplated by Resolutions 5, 6 and 7 on the Company's financial position, based upon the following assumptions and qualifications:

- (a) all issues of Shares and Attaching Options in connection with the Company's Placement in June 2019, the placement of all Rights Issue shortfall, and contemplated by the Resolutions set out in this Notice of Meeting being approved, and all documentation related to the Convertible Note restructure being completed;
- (b) there being no other material changes to the Company's Statement of Financial Position since 31 December 2018; and
- (c) the activities of the Company since 31 December 2018 not being recognised in the pro forma Statement of Financial Position.

		Statutory Historical Balance Sheet 31/12/2018	Placement Tranche 1 Adjustments	Placement Tranche 2 Adjustments*	Rights Issue Adjustments	Convertible note Adjustments	Fees Adjustments	Proforma Historical Balance Sheet 31/12/2018
Assets								
Cash and equivalents		6,600	3,199	253	6,572		(635)	15,990
Trade and other receivables		2,838						2,838
Other		371						371
Total current assets	A\$('000)	9,809	3,199	253	6,572	–	(635)	19,199
Other receivables		889						889
Plant and equipment		352						352
Intangibles		23,321						23,321
Deferred tax		593						593
Total non-current assets	A\$('000)	25,155	–	–	–	–	–	25,155
Total assets	A\$('000)	34,964	3,199	253	6,572	–	(635)	44,354
Liabilities								
Trade and other payables		4,780						4,780
Employee benefits		1,047						1,047
Provisions		45						45
Contract liabilities - deferred service income		260						260
Total current liabilities	A\$('000)	6,132	–	–	–	–	–	6,132
Deferred tax		624						624
Employee benefits		254						254
Convertible note		6,913				(3,135)		3,778
Total non-current liabilities	A\$('000)	7,791	–	–	–	(3,135)	–	4,656
Total liabilities	A\$('000)	13,923	–	–	–	(3,135)	–	10,788
Net assets	A\$('000)	21,041	3,199	253	6,572	3,135	(635)	33,566
Equity								
Issued capital		76,306	3,199	253	6,572	3,135	(635)	88,831
Other contributed equity		1,693						1,693
Reserves		1,858						1,858
Accumulated losses		(58,816)						(58,816)
Total equity	A\$('000)	21,041	3,199	253	6,572	3,135	(635)	33,566

1.5 Consequence if the Convertible Note restructure Resolutions are not approved

The members of the Board who are not holders of Convertible Notes, being Mr Tim Handley, Mr Jorge Mejia, Mr Joe Hanna and Mr Donald Cahill, consider that the restructure of the Company's Convertible Notes contemplated by Resolutions 5, 6, 7 and 8 represents an excellent outcome for the Company.

Mr Simon Clausen, who controls Startive has a material personal interest in the outcome of Resolutions 3, 6 and 8, and does not express a view with respect those Resolutions generally.

Mr Michael Fitzpatrick, who controls Log Creek and therefore has a material personal interest in the outcome of Resolutions 7 and 8, does not express a view with respect to Resolutions 7 and 8 generally.

If Resolutions 5, 6, 7 and 8 are not approved by Shareholders, or the restructure of the Company's Convertible Notes does not proceed for any other reason, the Company may need to raise additional capital to redeem the Convertible Notes on their current maturity date of 30 April 2020 (expected to be greater than \$7.9 million including interest). In that case, the Company would likely need to raise additional capital to fund the repayment of the amounts owing under the Convertible Notes. If the Company is unable to raise the additional capital, the noteholders could proceed against the security⁵ granted to them to secure the monies owing.

The Company may also then need to seek other funding opportunities in order to provide it with the funds necessary for the operations of the Company. There can be no guarantee that other funding will be available on acceptable terms, or at all.

2. Resolution 1 – Ratification of Placement of Shares to Professional and Sophisticated Investors (Non-Related Parties)

2.1 Background

On 20 June 2019, the Company issued 58,170,646 Shares to institutional, professional and sophisticated investors under a placement to raise approximately \$3.2 million (**Placement**). The issue of Shares under the Placement was made under the Company's 15% placement capacity in accordance with ASX Listing Rule 7.1. Subject to a number of exceptions, Listing Rule 7.1 limits the number of securities that the Company can issue without shareholder approval in any 12 month period to 15% of its issued securities. Listing Rule 7.4 allows for shareholders to retrospectively approve an issue of securities pursuant to Listing Rule 7.1, provided that the issue was not in breach of Listing Rule 7.1. The issue of Shares considered by Resolution 1 did not breach Listing Rule 7.1.

Resolution 1 seeks Shareholder approval to ratify the issue under Listing Rule 7.4 and refresh the 15% placement capacity. Approval of the securities issued under the Company's 15% placement capacity will enable the Company to refresh its ability to issue further securities in the future without seeking shareholder approval in accordance with ASX Listing Rule 7.1.

2.2 Issue of Shares

In accordance with Listing Rule 7.5, the Company provides the following information in relation to the issues of the Shares to be ratified under Resolution 1:

(a) Number, price and names of allottees of Shares issued

58,170,646 fully paid ordinary Shares at \$0.055 (5.5 cents) per share were issued to institutional sophisticated, professional or other investors unrelated to the Company, that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act. The investors in the Placement were identified by the joint lead managers of the Placement, Foster Stockbroking Pty Limited and CCZ Statton Equities Pty Ltd.

(b) Terms of the Shares issued

The Shares were issued on the same terms and conditions and rank equally in all respects with the Company's existing fully paid ordinary shares.

⁵ The Convertible Notes are secured over assets of each the Company's Ecuadorian subsidiaries, Avisoriaweb S.A. and Latamautos Corporacion S.A., and the Company's Mexican subsidiary, Latamautos Mexico S. de R.L. de C.V. and all shares in each of those subsidiaries

(c) Use of Funds Raised

Proceeds of the issue of the Shares have been applied by the Company to accelerating cross-sell product volume growth through its Motorfy platform, and continuing to increase the Company's online classifieds market share and general working capital.

2.3 Board Recommendation

The Board recommends that shareholders vote in favour of Resolution 1.

3. Resolution 2 – Approval of Issue of Attaching Options to Professional and Sophisticated Investors (Non-Related Parties)

3.1 Background

In addition to the issue of Shares under the Placement, ratification of which is sought pursuant to Resolution 1, the Company intends to issue persons who received Shares under the Placement with options, on the basis of one option for every two Shares issued (**Attaching Options**). The Attaching Options are offered to investors under the Placement for no additional consideration, and are offered pursuant to the Prospectus lodged with ASIC and released to ASX on 14 June 2019. The Company intends to apply for quotation of Attaching Options on ASX following their issue.

Each Attaching Option will be exercisable until 13 August 2021, into one (1) fully paid ordinary share in the Company at a price of \$0.10 (10.0 cents) per Attaching Option. The full terms and conditions of the Attaching Options are set out in Schedule 1.

ASX Listing Rule 7.1 requires a company that wishes to issue more than 15% of its securities in any 12 month period to obtain Shareholder approval by way of ordinary resolution (unless the issue is exempted under Listing Rule 7.2). Under Resolution 2, the Company seeks shareholder approval for the issue of Attaching Options, which are not in a class of existing quoted securities, to the institutional, sophisticated and professional investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act who participated in the Placement.

3.2 Issue of Attaching Options

The following information is provided in relation to the issue of Attaching Options under Resolution 2, as required by ASX Listing Rule 7.3:

(a) Number of Attaching Options

29,085,323 Attaching Options.

(b) Date by which the Attaching Options will be issued

The Attaching Options will be issued within three (3) months of the date of the General Meeting.

(c) Issue price

The Attaching Options will be issued for nil consideration.

(d) Terms of Attaching Options

The Attaching Options have an exercise price of \$0.10 (10.0 cents) and are exercisable until 13 August 2021. The full terms and conditions of the Attaching Options are set out in Schedule 1 to these Explanatory Notes.

(e) Names of allottees

The Attaching Options will be issued to recipients of Shares under the Placement, being unrelated institutional sophisticated, professional or other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act.

(f) Use of Funds Raised

The Attaching Options are being issued for no consideration and therefore the Company will receive no funds for the issue. In the event that all the Options are exercised, the Company

will receive up to \$2,908,532 which the Company will apply to general working capital requirements.

3.3 Board Recommendation

The Board recommends that shareholders vote in favour of Resolution 2.

4. Resolutions 3 and 4 – Approval of Issue of Shares and Attaching Options to Mr Joe Hanna or his Nominee, and Startive Ventures Inc.

4.1 Background

Mr Joe Hanna, a Director of the Company, and Startive Ventures Inc., an entity controlled by Mr Simon Clausen, a Director of the Company, have agreed to provide the Company with \$25,000 and \$228,197.55 in funds respectively in the Conditional Placement. The Company intends to issue Shares under the Conditional Placement subject to shareholder approval at \$0.055 (5.5 cents per Share) with Attaching Options on a one-for-two basis. Subject to these Resolutions being passed, Mr Hanna will receive approximately 454,545 Shares, 227,272 Attaching Options and 227,272 Shares on exercise of Attaching Options, and Startive will receive approximately 4,149,046 Shares, 2,074,523 Attaching Options and 2,074,523 Shares on exercise of Attaching Options.

4.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party. The Directors are considered to be related parties of the Company.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. The following information is provided to shareholders in relation to Resolutions 3 and 4 for the purposes of ASX Listing Rule 10.13:

(a) Name of Director and maximum number of securities to be issued

Approximately 454,545 fully paid ordinary Shares, 227,272 Attaching Options and 227,272 Shares on exercise of Attaching Options to Mr Joe Hanna, and approximately 4,149,046 fully paid ordinary Shares, 2,074,523 Attaching Options and 2,074,523 Shares on exercise of Attaching Options to Startive Ventures Inc.

(b) Issue price

Shares will be issued at a price of \$0.055 (5.5 cents) per Share, and Attaching Options will be issued for nil consideration. Shares issued on exercise of Attaching Options will be issued at a price of \$0.10 (10 cents) per share.

(c) Date by which the Shares and Attaching Options will be issued

The Shares and Attaching Options will be issued as soon as practicable following receipt of funds from Mr Hanna and Startive, but in any event no later than one (1) month after the General Meeting.

(d) Terms of Shares

The Shares will be issued on the same terms and conditions and will rank equally in all respects with the Company's existing fully paid ordinary shares.

(e) Terms of Attaching Options

The Attaching Options have an exercise price of \$0.10 (10.0 cents) and are exercisable until 13 August 2021. The full terms and conditions of the Attaching Options are set out in Schedule 1 to these Explanatory Notes.

(f) Use of Funds Raised

The funds raised from the issue of the Shares to Mr Hanna and Startive will be applied by the Company to accelerating cross-sell product volume growth through its Motorfy platform, and continuing to increase the Company's online classifieds market share and general working capital. The Attaching Options will be issued for no consideration and therefore the Company

will receive no funds for the issue. In the event that all the Attaching Options are exercised, the Company will receive up to approximately \$253,197 which the Company will apply to general working capital requirements.

4.3 Chapter 2E Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The issues of Shares and Attaching Options contemplated by Resolutions 3 and 4 constitute the provision of financial benefits to related parties. The Board has considered the application of Chapter 2E of the Corporations Act (related party provisions) and is of the view that having regard to the terms of the Conditional Placement and the fact that the Conditional Placement is on the same terms as the Placement and the pro rata rights issue recently conducted by the Company, the arm's length dealing exceptions provided by section 210 of the Corporations Act are relevant in the circumstances, and accordingly, the Company will not be seeking approval for the issue of the Shares and Attaching Options to Mr Hanna or Startive, pursuant to section 208 of the Corporations Act.

4.4 Board Recommendation

The Board, with Mr Hanna abstaining in relation to Resolution 3 and Mr Clausen abstaining in relation to Resolution 4, recommends that shareholders vote in favour of Resolutions 3 and 4.

5. Resolution 5 – Approval of Issue of Shares and Attaching Options to Professional and Sophisticated Investors (Non-Related Parties) following Redemption of Convertible Notes

5.1 Background

As outlined at section 1.2 above, the Company is undertaking a restructure of its Convertible Notes on issue. Two of the four holders of Convertible Note are parties not related to the Company, Sypkes Investments Pty Ltd (**Sypkes**) and PM Capital Limited (as responsible entity for the PM Capital Australian Companies Fund ARSN 092 434 467) (**PM Capital**). Each of Sypkes and PM Capital has entered into a Commitment Deed with the Company, pursuant to which they have each agreed to redeem their entire holdings of Convertible Notes plus interest, and subscribe for Shares in the Company with free Attaching Options up to the redeemed Convertible Note value. The value of the Convertible Notes and accrued interest at the date of the General Meeting is expected to be \$1,004,876. The Shares will be issued at a price of \$0.055 (5.5 cents per share) and the Attaching Options for no additional consideration, consistent with the Placement and the Conditional Placement, as well as the Company's recent rights issue.

Approval is sought for the issue of Shares and Attaching Options under Resolution 5 for the purposes of Listing Rule 7.1.

5.2 Issue of Shares and Attaching Options

The following information is provided in relation to the issue of Shares and Attaching Options under Resolution 5, as required by ASX Listing Rule 7.3:

(a) Number of Shares and Attaching Options

Approximately 18,270,481 Shares and 9,135,240 Attaching Options.

(b) Date by which the Shares and Attaching Options will be issued

The Shares and Attaching Options will be issued within three (3) months of the date of the General Meeting.

(c) Issue price

Shares will be issued at a price of \$0.055 (5.5 cents) per Share, and Attaching Options will be issued for nil consideration.

(d) Terms of Shares

The Shares will be issued on the same terms and conditions and will rank equally in all respects with the Company's existing fully paid ordinary shares.

(e) Terms of Attaching Options

The Attaching Options have an exercise price of \$0.10 (10.0 cents) and are exercisable until 13 August 2021. The full terms and conditions of the Attaching Options are set out in Schedule 1 to these Explanatory Notes.

(f) Names of allottees

The Shares and Attaching Options will be issued to Sypkes Investments Pty Ltd and PM Capital Limited (as responsible entity for the PM Capital Australian Companies Fund ARSN 092 434 467).

(g) Use of Funds Raised

The Company will not receive any new funds for the issue of Shares and Attaching Options, as the issue is in respect of the redemption of Convertible Notes, as part of the restructure of the Company's Convertible Notes on issue. The issue will therefore result in a reduction of the Company's liability in respect of the Convertible Notes by approximately \$1,004,876. The Attaching Options are being issued for no additional consideration and therefore the Company will receive no funds for the issue. In the event that all the Options are exercised, the Company will receive up to approximately \$913,524 which the Company will apply to general working capital requirements.

5.3 Board Recommendation

The Board recommends that shareholders vote in favour of Resolution 5.

6. Resolutions 6, 7 and 8 – Approval of issues of Shares and Attaching Options to related parties to the Company following redemption of Convertible Notes, and approval to amend terms of Convertible Notes

6.1 Background

Resolutions 6, 7 and 8 are interdependent and the actions subject of each Resolution will be carried out by the Company only in the event all three Resolutions are passed by shareholders.

Resolutions 6 and 7 relate to the issue of securities to related parties on the redemption of Convertible Notes, and the Resolution 8 relates to the amendment of the terms of Convertible Notes which will remain on issue. The holders of Convertible Notes in the Company the subject of the Resolutions are Startive Ventures Inc., an entity controlled by Mr Simon Clausen, and Log Creek Pty Ltd, an entity controlled by Mr Michael Fitzpatrick. Mr Clausen and Mr Fitzpatrick are both Directors of the Company, and Startive and Log Creek are therefore related parties to the Company.

(a) Redemption of Convertible Notes and subscription for equity

Each of Startive and Log Creek has entered into a Commitment Deed with the Company to redeem a portion of the outstanding value of the Convertible Notes it holds, including accrued interest. Startive has committed to redeeming a portion of its holding with a value of \$189,343 and Log Creek has committed to redeeming a portion of its holding with a value of \$2,000,000. The value of the redeemed portion of the Convertible Note holdings will be used to subscribe for equity in the Company, and, subject to shareholders passing Resolutions 6 and 7, the Company will issue to Startive and Log Creek Shares and Attaching Options.

(b) Amendment of terms of Convertible Notes

The terms of remaining Convertible Notes held by Startive and Log Creek following the redemption of the portions subject of Resolutions 6 and 7 shall be amended subject to shareholders approving Resolution 8.

The Company has entered into an agreement with Convertible Note holders to restructure its Convertible Notes, by amending the secured convertible note deed executed by the Company on or about 12 April 2017 (**CN Deed**), which will have the effect of:

- (i) extending the maturity date from 30 April 2020 to 31 July 2021;
 - (ii) reducing the conversion price from \$0.16 per Share to \$0.10 per Share; and
-

- (iii) providing that every two Shares issued on conversion of the Convertible Notes will entitle the holders to one Attaching Option.

The terms of the CN Deed will otherwise continue to apply to the Convertible Notes.

If Shareholders do not approve the Convertible Note restructure by passing Resolutions 6, 7 and 8, the Company may need to redeem the Convertible Notes on their current maturity date of 30 April 2020, which would require capital expenditure by the Company.

It is anticipated that, subject to shareholders passing Resolution 5 as set out in the Notice of Meeting, all Convertible Notes on issue will be redeemed except those held by Startive Ventures Inc. and Log Creek Pty Ltd, each a related party of the Company. Following this redemption, Log Creek's Convertible Note balance, including accrued interest will have a value of approximately \$4,072,786, and Startive's balance a value of \$600,000. A summary of the terms of the Convertible Notes on issue as amended pursuant to Resolution 8 is set out in Schedule 2 to these Explanatory Notes.

As the Company is seeking approval under Resolutions 6, 7 and 8 for the issue of securities to related parties, each Resolution is proposed for the purposes of ASX Listing Rule 10.11. Resolutions 7 and 8 are also proposed for the purposes item 7 of section 611 of the Corporations Act, information in relation to which is provided below at section 6.3.

6.2 ASX Listing Rule 10.11

The following information is provided in relation to Resolutions 6, 7 and 8 to shareholders in accordance with Listing Rule 10.13:

(a) Name of Directors and maximum number of securities to be issued

(i) Resolutions 6 and 7

Approximately 3,442,604 Shares with approximately 1,721,302 Attaching Options to Startive Ventures Inc., an entity controlled by Mr Simon Clausen and approximately 36,363,636 Shares with approximately 18,181,818 Attaching Options to Log Creek Pty Ltd (A.C.N. 100 874 851), an entity controlled by Mr Michael Fitzpatrick.

(ii) Resolution 8

The effect of Resolution 8 will be to amend the terms of Convertible Notes on issue so as to reduce the conversion price to \$0.10 per Share, extend the maturity date to 31 July 2021, and provide that for every two Shares issued on conversion of Notes, noteholders will receive one Attaching Option. If Resolution 8 is passed and all Convertible Notes, including accrued interest, are converted, the effect on the Company's capital structure will be as set out in the table at section 6.3(b)(ii).

(b) Issue price

Shares issued on redemption of Convertible Notes under Resolutions 6 and 7 will be issued at a price of \$0.055 (5.5 cents) per Share and Attaching Options will be issued for nil consideration. The Convertible Notes the subject of the redemption and the amendment under Resolution 8 are already on issue, and the Company will receive no further funds from their amendment.

(c) Date by which the securities will be issued

The Shares and Attaching Options will be issued as soon as practicable following the General Meeting, but in any event no later than one (1) month after the General Meeting. The Convertible Notes subject of the proposed amendments are already on issue.

(d) Terms of Shares

Shares will be issued on the same terms and conditions and will rank equally in all respects with the Company's existing fully paid ordinary shares.

(e) Terms of Attaching Options

Attaching Options have an exercise price of \$0.10 (10.0 cents) and are exercisable until 13 August 2021. The full terms and conditions of the Attaching Options are set out in Schedule 1 to these Explanatory Notes.

(f) Terms of amended Convertible Notes

It is proposed that the terms of the Convertible Notes be amended, with the effect of extending the maturity date from 30 April 2020 to 31 July 2021, reducing the conversion price from \$0.16 per Share to \$0.10 per Share and providing that for every two Shares issued on conversion of Notes, noteholders will receive one Attaching Option. Please refer to Schedule 2 for the key terms of the Convertible Notes under the CN Deed as proposed to be amended pursuant to Resolution 8.

(g) Use of Funds Raised

The Company will not receive any new funds for the issue of Shares and Attaching Options to Startive and Log Creek, as the issue is in respect of the redemption of Convertible Notes, as part of the restructure of the Company's Convertible Notes on issue. The issue will therefore result in a reduction of the Company's liability to Startive and Log Creek in respect of the Convertible Notes by a total of approximately \$2,189,343. Funds received from the exercise of Attaching Options will contribute to the Company's general working capital.

6.3 Approval under the Corporations Act

Resolutions 7 and 8 are put to shareholders also for the purposes of complying with the requirements of the Corporations Act regarding the extent to which Log Creek will increase its voting power in the Company in excess of 20%.

(a) Section 611 of the Corporations Act

Section 606 of the Corporations Act provides that a person must not acquire a relevant interest in voting shares in a company if the acquisition will result in that person's or another person's voting power in the company increasing from less than 20% to more than 20%.

Section 611 of the Corporations Act provides certain exception to this requirement. Relevantly, under item 7 of section 611, an acquisition of a company's voting shares will not be prohibited under section 606 of the Corporations Act if the proposed acquisition has the prior approval of the shareholders of the Company.

The issues of securities to Log Creek subject to approval under Resolutions 7 and 8 may increase Log Creek's voting power in Company to more than 20% as set out in section 1.3(d) and item (b)(ii) of this section 6.3. Accordingly, the Company is seeking Shareholder approval under item 7 of section 611 of the Corporations Act to issue Shares and Attaching Options to Log Creek on redemption of Convertible Notes under Resolution 7, and to amend the terms of Convertible Notes on issue and issue Shares and Attaching Options upon conversion of those Convertible Notes under Resolution 8.

(b) Information for Shareholders under Corporations Act and ASIC Regulatory Guide 74

In addition to the information set out above in this section 6.3, the following information is provided to Shareholders in accordance with the requirements of the Corporations Act and ASIC Regulatory Guide 74 for the purpose of obtaining approval for a transaction pursuant to item 7 of section 611 of the Corporations Act:

(i) Identity of person proposing to make the acquisition of securities and their associates

Resolutions 7 and 8 relate to issues of securities to Log Creek Pty Ltd. Log Creek is a substantial shareholder of the Company. It is a private company that is controlled by Mr Michael Fitzpatrick who is a Director of the Company.

Mr Fitzpatrick is a Director and a shareholder holding 50% of issued capital in Log Creek. The other shareholder holding the remaining 50% of issued capital in Log Creek is Mrs Helen Sykes who is Mr Fitzpatrick's wife.

(ii) The maximum extent of the increase in that person's voting power in the Company that would result from the acquisition of the securities

As at the date of this Notice, Log Creek holds 41,234,274 Shares which represents a voting power in the Company of 7.80%, and a further 36,363,636 Shares with 18,181,818 Attaching

Options are proposed to be issued to Log Creek pursuant to Resolution 7. Resolutions 7 and 8 are interdependent. Log Creek also currently holds 3,571,429 options to acquire Shares exercisable at \$0.17 (17 cents) per Share, expiring 31 December 2019.

If Resolutions 7 and 8 are passed and the Convertible Notes held by Log Creek are converted by Log Creek on the amended terms summarised in Schedule 2, and the existing options and Attaching Options to be issued are exercised by Log Creek, Log Creek will have a maximum effective voting power of approximately 25.00% based upon its relevant interest in 169,595,396 Shares, being an increase of 17.20% in its voting power from its current holding. This assumes that the capital structure of the Company otherwise remains the same (i.e. no other Shares are issued). This also assumes the issue of Shares to other noteholders pursuant to Resolutions 5 and 6, and that the total amount of money owing at the time of such conversion includes the conversion of capitalised interest.

The following table shows the current and potential voting power of Log Creek upon issue of Shares under Resolutions 5, 6 and 7, and conversion of the Convertible Notes as amended by Resolution 8. As Resolutions 6, 7 and 8 are interdependent, and the Company has entered into binding agreements with respect to the issues of securities contemplated by Resolution 5, the future scenarios depicted below assume the issue of Shares and Attaching Options contemplated by Resolutions 5, 6 and 7.

	Number of Shares	Number of Attaching Options	Maximum Voting Power
Voting Power currently held	41,234,274	N/A	7.80% (current voting power)
Upon issue of Shares pursuant to Resolutions 5, 6 and 7	77,597,910	18,181,818	13.23%
Upon issue of Shares pursuant to Resolutions 5, 6 and 7 and exercise of all Options issued pursuant to Resolution 7	95,779,728	Nil	15.84%
Upon exercise of options expiring 31 December 2019 at \$0.17 per Share	99,351,157	Nil	16.33%
Upon conversion of only the Convertible Notes (including capitalised interest) held by Log Creek	146,180,650	23,414,747	22.31%
Upon conversion of all Convertible Notes (including capitalised interest) held by Startive and Log Creek	146,180,650	23,414,747	22.20%
Upon conversion of only the Convertible Notes (including capitalised interest) held by Log Creek and exercise of all Options issued on conversion of the Convertible Notes	169,595,397	Nil	25.00%

(iii) *The voting power that person would have as a result of the acquisition of the securities*

Please refer to section 1.3(d) and item (d)(ii) of this section 6.3 for further information.

(iv) *The maximum extent of the increase in voting power of each of that person's associates that would result from the acquisition of the securities*

Please refer to section 1.3(d) and item (d)(ii) of this section 6.3 for further information.

- (v) *The voting power that each of that person's associates would have as a result of the acquisition of the securities*

Please refer to section 1.3(d) and item (d)(ii) of this section 6.3 for further information.

- (vi) *The reasons for the proposed acquisition of securities*

The Shares and Attaching Options to be issued under Resolution 7 are being issued in connection with the redemption of a portion of the balance of Convertible Notes held by Log Creek, having a value of \$2,000,000. It has been agreed between the Company and Log Creek that upon the redemption of Convertible Notes, the \$2,000,000 in funds paid to Log Creek will be used for a subscription by Log Creek for Shares in the Company at \$0.055 (5.5 cents) per Share, with Attaching Options on a basis of one Attaching Option for every two Shares issued.

The Convertible Notes subject of Resolution 8, having already been issued to fund the Company's ongoing costs and capital requirements in 2017, are being restructured in agreement with the noteholders. It is a condition of the Convertible Note restructure that the terms of the Convertible Notes be amended in accordance with Resolution 8.

- (vii) *When the proposed acquisition of securities is to occur*

The Shares and Attaching Options subject of Resolution 7 will be issued within one month of the date of the General Meeting.

The Shares and Attaching Options issued on conversion of the Convertible Notes will be issued on or before the date being 30 calendar days after the receipt by the Company of a conversion notice from the holder of Convertible Notes. This is also subject to an early conversion right as set out in the CN Deed (the final date for providing a notice of conversion of Notes, under the terms as they are proposed to be amended by Resolution 8, is 31 July 2021).

- (viii) *The material terms of the proposed acquisition of securities*

Shares issued to Log Creek subject to Resolutions 7 and 8 being passed will be issued on the same terms and conditions and will rank equally in all respects with the Company's existing fully paid ordinary shares. The Attaching Options have an exercise price of \$0.10 (10.0 cents) and are exercisable until 13 August 2021. The full terms and conditions of the Attaching Options are set out in Schedule 1 to these Explanatory Notes.

Please refer to Schedule 2 for the key terms of the Convertible Notes under the CN Deed as proposed to be amended pursuant to Resolution 8.

- (ix) *Details of any other relevant agreement between the acquirer of the securities and the Company or any associates that is conditional on (or directly or indirectly depends on) members' approval of the proposed acquisition of securities*

The Company has entered into an agreement with Convertible Note holders to restructure its Convertible Notes, which will have the effect of extending the maturity date from 30 April 2020 to 31 July 2021 and reducing the conversion price from \$0.16 per Share to \$0.10 per Share, subject to shareholders passing Resolution 8. Please refer to Schedule 2 for the key terms of the Convertible Notes under the CN Deed as proposed to be amended pursuant to Resolution 8.

- (x) *A statement of the acquirer of securities' intentions regarding the future of the Company if members approve the acquisition of securities*

(1) **Log Creek's intentions regarding the future of the Company**

This section sets out Log Creek's intentions concerning the Company if resolutions 7 and 8 are passed by shareholders to approve the acquisition of shares in the Company by Log Creek using the proceeds from the redemption of its convertible notes as described in section 1.2 of these Explanatory Notes and/or in consequence of Log Creek converting its notes (as amended) or exercising its options. Mr Michael Fitzpatrick is a director of Log Creek and is also a director and the current chairman of the Company. Statements in this section are statements of Log Creek's current intention (through its directors) only and may change as new information becomes available or circumstances change.

These statements do not infer that Mr Fitzpatrick in his capacity as a director of the Company has in any way fettered his discretion to properly consider matters put before the board of the Company from time to time.

(2) **Company's business**

Log Creek has no intention to change the business of the Company in any specific manner.

(3) **Injection of further capital**

Log Creek does not intend to inject any further capital into the Company, other than as disclosed elsewhere in these Explanatory Notes. Log Creek will assess any future capital raise by the Company on its merits.

(4) **Future employment of employees**

Log Creek has no intention that the Company make any change to the future employment of its present employees.

(5) **Transfer or redeployment of assets**

Apart from its rights as a secured note holder, Log Creek does not intend that:

- (a) any assets will be transferred between the Company (or any of its subsidiaries) and Log Creek (or any of its associates); or
- (b) the Company redeploy any of its fixed assets.

(6) **Financial or dividend distribution policies of the Company**

Log Creek does not intend that the Company make any significant change to its financial or dividend distribution policies.

(xi) *Any intention of the acquirer of securities to significantly change the financial or dividend distribution policies of the Company*

Please see paragraph (x) of this section 6.3 above.

(xii) *The interests any director has in the acquisition of securities or any relevant agreement*

Apart from Mr Michael Fitzpatrick (who controls Log Creek) and Mr Simon Clausen (who controls Startive), the Directors do not have an interest in the outcome of Resolutions 6, 7 and 8, other than in their capacity as holders of Shares.

(xiii) *Independent Expert's Report*

In order to assist Shareholders to assess the proposals the subjects of Resolutions 7 and 8 and consider whether to vote in favour of Resolutions 7 and 8, and in accordance with ASIC Regulatory Guide 74, the Company appointed **Findex Corporate Finance (Aust) Ltd (trading as Crowe Horwath Corporate Finance)** to prepare the Independent Expert's Report to assess whether or not, in the independent expert's opinion, the proposals are fair and reasonable to Shareholders not associated with the proposals. The Independent Expert's Report compares the likely advantages and disadvantages to Shareholders not associated with the proposals if Resolutions 7 and 8 are approved, and the likely advantages and disadvantages to such Shareholders if they are not.

The Independent Expert's Report has concluded that the proposed issue of securities Log Creek under Resolution 7 and the amendment of the Convertible Notes held by Log Creek under Resolution 8 is not fair, but is reasonable. Shareholders are strongly encouraged to read the Independent Expert's Report in full.

Please refer to sections 1.5 to 1.7 of the Independent Expert's Report for the analysis and reasons for their conclusion.

A copy of the Independent Expert's Report is included as Schedule 3.

6.4 Chapter 2E Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The issue of securities contemplated by Resolutions 6, 7 and 8 constitute the provision of a financial benefit to a related party.

Shareholder approval is not being sought under Chapter 2E of the Corporations Act as the Board has determined that the exception to the requirement to obtain shareholder approval in section 210 of the Corporations Act applies.

Relevant to the present circumstances, section 208 of Chapter 2E of the Corporations Act specifies that unless an exception applies, a public company must not provide a financial benefit to a related party of the public company without first obtaining shareholder approval.

Log Creek and Startive will each receive a financial benefit from the Company under Resolutions 6, 7 and 8, being Shares and Attaching Options issued on redemption of Convertible Notes and the issue of Shares and Attaching Options upon conversion of Convertible Notes.

Section 210 exempts the Company from having to obtain shareholder approval to a related party transaction on terms which could reasonably be considered as at arm's length or such terms are less favourable to the related party than the arm's length terms.

With respect to Resolutions 6 and 7, the Board is of the view that, having regard to the terms of the redemption of the Convertible Notes and the fact that the price of the Shares to be issued upon redemption and the terms of the Attaching Options are consistent with the Placement and the recent pro rata rights issue conducted by the Company, the arm's length dealing exceptions provided by section 210 of the Corporations Act are relevant in the circumstances. The Company has negotiated the redemption of Convertible Notes and the amendment of the terms of remaining Convertible Notes on an arm's length basis.

Further, the Company has engaged Findex Corporate Finance (Aust) Ltd (trading as Crowe Horwath Corporate Finance) to prepare the Independent Expert's Report (included as Schedule 3) to assess whether or not, in the independent expert's opinion, the proposed issues of securities and amendment of the terms of the Convertible Notes in respect of Log Creek contemplated by Resolutions 7 and 8 are fair and reasonable to Shareholders not associated with the proposal. The Independent Expert's Report has concluded the proposals are not fair, but are reasonable.

Accordingly, the Board has determined that shareholder approval is not being sought under Chapter 2E of the Corporations Act for any of Resolutions 6, 7 or 8.

6.5 Board Recommendation

The Board, with Mr Clausen and Mr Fitzpatrick abstaining, recommends that shareholders vote in favour of Resolutions 6, 7 and 8.

7. Resolution 9 – Approval of Issue of Options to Joint Lead Managers

7.1 Background

Prior to carrying out the fund raising under the Rights Issue and the Placement, the Company entered into a mandate agreement with Foster Stockbroking Pty Limited and CCZ Statton Equities Pty Ltd ("**Joint Lead Managers**") pursuant to which the Company appointed the Joint Lead Managers in relation to the Rights Issue and the Placement.

In consideration for the services provided by the Joint Lead Managers, the Company agreed to issue to the Joint Lead Managers 5,000,000 options each, which options will have the same terms of the Attaching Options ("**JLM Options**").

Each JLM Option will be exercisable until 13 August 2021, into one (1) fully paid ordinary share in the Company at a price of \$0.10 (10.0 cents) per JLM Option. The full terms and conditions of the JLM Options are the same as for the Attaching Options, as set out in Schedule 1.

7.2 Issue of JLM Options

The following information is provided in relation to the issue of JLM Options under Resolution 9, as required by ASX Listing Rule 7.3:

(a) Number of JLM Options

10,000,000 JLM Options.

(b) Date by which the JLM Options will be issued

The JLM Options will be issued within three (3) months of the date of the General Meeting.

(c) Issue price

The JLM Options will be issued for nil consideration.

(d) Terms of JLM Options

The JLM Options have an exercise price of \$0.10 (10.0 cents) and are exercisable until 13 August 2021, and are otherwise on the same terms and conditions as the Attaching Options as set out in Schedule 1 to these Explanatory Notes.

(e) Names of allottees

The JLM Options will be issued to Foster Stockbroking Pty Limited and CCZ Statton Equities Pty Ltd or their nominees.

(f) Use of Funds Raised

The JLM Options are being issued in consideration for services provided and therefore the Company will receive no funds for the issue. In the event that all the Options are exercised, the Company will receive up to \$1,000,000 which the Company will apply to general working capital requirements.

7.3 Board Recommendation

The Board recommends that shareholders vote in favour of Resolution 9.

8. Resolution 10 – Increase in Aggregate Non-Executive Director Remuneration

8.1 Background

The Company seeks shareholder approval to increase the maximum aggregate fees paid to Non-Executive Directors of the Company ("**Maximum Fees Cap**") by \$150,000, from \$350,000 to \$500,000 per annum. Shareholder approval is sought under clause 62 of the Constitution and ASX Listing Rule 10.17.

The Board considers it appropriate to increase the Maximum Fees Cap, to take account of:

- the Board recently having appointed two additional Non-Executive Directors to provide additional skills and expertise;
- the continuing increase in size and scale of operations of the Company;
- the need to enable incremental increases in Non-Executive Director remuneration as required over time; and
- the need for appropriate succession planning.

It is imperative that the Company remains able in the future to attract and retain Non-Executive Directors with the appropriate experience, expertise, skills and diversity to oversee the Company's business and strategic direction. An increased Maximum Fees Cap will assist to achieve this and will also provide the Company with sufficient flexibility to make appropriate appointments to the Board if suitable candidates are identified.

Shareholders should also note that, if the proposed new Maximum Fees Cap is approved, it will not necessarily represent the full sum paid to Non-Executive Directors each financial year. The Company will in future continue to set the actual level of remuneration of its Non-Executive Directors within the Maximum Fees Cap, having regard to independent external advice, market practice, Board performance and other appropriate factors.

The remuneration of each Non-Executive Director for the financial year ended 31 December 2018 is detailed in the Annual Report.

As required by ASX Listing Rule 10.17, the following is a list of all securities issued to the Company's Non-Executive Directors under ASX Listing Rule 10.11 or 10.14 within the preceding three years:

- (a) 3,571,429 fully paid ordinary shares at an issue price of \$0.14 (14 cents) and 3,571,429 free attaching unquoted options exercisable at \$0.17 (17 cents), to Mr Michael Fitzpatrick as part of a placement; and

- (b) 964,290 fully paid ordinary shares at an issue price of \$0.14 (14 cents) and 964,290 free attaching unquoted options exercisable at \$0.17 (17 cents), to Mr Simon Clausen as part of a placement; and
- (c) 500,000 fully paid ordinary shares at an issue price of \$0.14 (14 cents) and 500,000 free attaching unquoted options exercisable at \$0.17 (17 cents), to Mr Colin Galbraith as part of a placement; and
- (d) 7,750,000 unlisted convertible notes to Log Creek Pty Ltd, an entity that is controlled by Mr Michael Fitzpatrick, pursuant to a secured convertible note subscription and underwriting commitment deed dated on or about 13 April 2017; and
- (e) 1,000,000 unlisted convertible notes to Startive Ventures Inc., an entity that is controlled by Mr Simon Clausen, pursuant to a secured convertible note subscription and underwriting commitment deed dated on or about 12 April 2017.

9. Resolutions 11(a) and 11(b) – Approval of Proposed Issue of Fully Paid Ordinary Shares to Directors

9.1 Background

As announced by the Company on 14 June 2019, Mr Joe Hanna and Mr Donald Cahill agreed to join the Board with both Director's officially joining the Board on 26 July 2019, post the capital raising.

The Company has proposed to increase Mr Hanna and Mr Cahill's Non-Executive Director remuneration packages from \$55,000 per annum to \$155,000 and \$100,000 per annum respectively. The changes in salary relate to additional Director duties which they are carrying out for the Company over and above their Director's duties. The changes in remuneration are subject to shareholder approval of Resolution 10, in relation to the increase in aggregate Non-Executive Director Remuneration.

It has also been proposed that portions of \$100,000 and \$45,000 respectively the new remuneration packages for Mr Hanna and Mr Cahill be paid in fully paid ordinary Shares at an issue price of \$0.055 (5.5 cents) per Share for the first 12 months, from 1 November 2019 to 31 October 2020, the subject of this Resolution.

Resolutions 11(a) and 11(b) seek Shareholder approval for the purpose of Listing Rule 10.11 and all other purposes for the future issue of fully paid ordinary shares to Mr Joe Hanna and Mr Donald Cahill as consideration for a portion of their monthly Non-Executive Director's fees payable to them for the period from 1 November 2019 to 31 October 2020. Mr Hanna and Mr Cahill seek Shareholder approval on this Resolution to take Shares in lieu of the Company making a cash payment for a portion of Mr Hanna and Mr Cahill's future Directors fees owed. The deemed issue price of the Shares is \$0.055 (5.5 cents) per Share. The Shares will be issued to Mr Joe Hanna and Mr Donald Cahill (or their respective nominees) within 10 business days of the end of each month.

9.2 ASX Listing Rule 10.11

The following information is provided to shareholders in relation to Resolutions 11(a) and 11(b) for the purposes of ASX Listing Rule 10.13:

(a) Name of Directors and maximum number of securities to be issued

Shares will be issued to Non-Executive Directors Mr Joe Hanna and Mr Donald Cahill, or their nominees. The maximum number of Shares to be issued by the Company will be determined by dividing the monthly directors' fees payable by the deemed issue price of \$0.055 (5.5 cents) per Share in arrears for each month from 1 November 2019 to 31 October 2020

(b) Issue price

Shares will be issued at a price of \$0.055 (5.5 cents) per Share. Any fractions of Shares resulting from the calculation will be rounded down to the nearest whole number

(c) Date by which the Shares and Attaching Options will be issued

The Company has been granted an ASX waiver from the requirement that the Shares be issued within one month after the date of the General Meeting and allotment will occur on a monthly basis when the Directors' fees become payable and within 10 business days of the end of each month.

(d) Terms of Shares

The Shares will be issued on the same terms and conditions and will rank equally in all respects with the Company's existing fully paid ordinary shares.

(e) Use of Funds Raised

There will not be any funds raised through the issue of the Shares to the Directors, but the Company will be able to reduce its liabilities by up to \$145,000, as the Shares will be issued as satisfaction of a portion of Mr Hanna and Mr Cahill's monthly Directors' fees of up to \$145,000 for the period payable to Mr Hanna and Mr Cahill for the period from 1 November 2019 to 31 October 2020.

9.3 Relevant Interests

The Company's Annual Report for any period during which the shares are issued to Mr Joe Hanna and Mr Donald Cahill (or their nominees) shall disclose the details of the number of Shares that were issued to them, including the percentage of the Company's issued capital represented by those Shares.

The relevant interests of the related parties in Shares of the Company and the potential future voting power of each Director based on the future issues of Shares in lieu of Directors fees are set out below:

Related Party	Shares currently held	% Voting power	Maximum No. of Shares to be issued under Resolutions 11(a) and 11(b)*	% increase in voting power for individual dilution*	% Voting power**
Mr Joe Hanna	173,169	0.03%	1,818,182	0.34%	0.38%
Mr Donald Cahill	-	0.00%	818,182	0.15%	0.15%
TOTAL	173,169	0.03%	2,636,364	0.49%	0.53%

*Note: These figures are based on the maximum number of Shares that will be issued under Resolutions 11(a) and 11(b) calculated at a deemed issue price of \$0.055 (5.5 cents) per Share. The above

**Note: The above figures do not include the potential placement securities to be issued to Mr Joe Hanna under Resolution 3 of the Notice of Meeting. The above figures also do not take into account any exercise of listed options held by Mr Joe Hanna, exercisable at \$0.10 (10 cents) each, expiring 13 August 2021.

9.4 Chapter 2E Corporations Act

As at the date of this Notice of Meeting, it is the view of Directors that the proposed issue of Shares pursuant to Resolutions 11(a) and 11(b) falls within the exception under section 211 of the Corporations Act (reasonable remuneration) given the circumstances of the Company and the position held by the Directors. Accordingly, the Directors are not seeking Shareholder approval under section 208 of the Corporations Act, although Shareholder approval must be obtained pursuant to Listing Rule 10.11.

9.5 Board Recommendation

The Board, with Mr Hanna abstaining in relation to Resolution 11(a) and Mr Cahill abstaining in relation to Resolution 11(b), recommends that shareholders vote in favour of Resolutions 11(a) and 11(b).

GLOSSARY

In this Notice and Explanatory Notes, the following terms have the following meaning unless the context otherwise requires.

The following terms have the following meanings in this Explanatory Notes:

A\$ or \$ means an Australian dollar.

Annexure means an annexure to this Explanatory Notes.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning ascribed in the Corporations Act

ASX means ASX Limited or the Australian Securities Exchange, as the context requires;

Attaching Option means an option to acquire a Share, having an exercise price of \$0.10 and an expiry date of 13 August 2021, and otherwise being on the terms and conditions set out in Schedule 1.

AEST and AEDT means Australian Eastern Standard Time and Australian Eastern Daylight Time.

Board means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

Business Day means a day on which the ASX is open for trading.

Chairman means chairman of the Board at the time of this meeting.

CN Deed means the secured convertible note deed executed by the Company on or about 12 April 2017.

Company means LatAm Autos Limited ACN 169 063 414.

Convertible Note means a note issued by the Company convertible into Shares

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a Director of the Company.

Group or Group Company means the Company and any related body corporate

Independent Expert means Findex Corporate Finance (Aust) Ltd (trading as Crowe Horwath Corporate Finance).

Independent Expert Report means the report dated 6 September 2019 as prepared by the Independent Expert.

JLM Option means an option issued pursuant to approval obtained under Resolution 9, having the same terms as the Attaching Options.

Joint Lead Managers means Foster Stockbroking Pty Limited and CCZ Statton Equities Pty Ltd.

Listing Rules means the Listing Rules of the ASX.

Maximum Fees Cap means the maximum aggregate fees payable per annum to non-executive directors of the Company.

Notice means the Notice of Meeting accompanying this Explanatory Notes;

Key Management Personnel means Director and other executives and senior managers of the Company as listed in the Directors' Report.

Proxy Form means the proxy form attached to the Notice.

Related Party has the meaning ascribed in the ASX Listing Rules.

Resolutions means the resolutions put to the shareholders of the Company at this meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the Company's existing shareholders at the date of the Notice of Meeting.

Subscription Deed means the secured convertible note subscription deed entered into between a subscriber and the Company

SCHEDULE 1: TERMS OF ATTACHING OPTIONS

1. Issue

If Attaching Options are duly exercised, the Company must issue to the holder of the Attaching Options one fully paid ordinary Share for each Attaching Option exercised within 15 Business Days (as defined in the Listing Rules) of the date of receipt by the Company of payment of the exercise price in cleared funds and completion of the other requirements (if any) for exercise.

2. Ranking

Shares issued pursuant to the exercise of Attaching Options will rank for dividend from the date they are issued and will otherwise rank equally with all other fully paid ordinary Shares then on issue.

3. Exercise of Attaching Options

- (a) The Attaching Options are exercisable at any time from the date of issue until 5:00pm (AEST) on 13 August 2021.
- (b) An exercise of any Attaching Options may only be effected:
 - (i) by the holder of the Attaching Options completing a notice of exercise of the Attaching Options in any usual or common form or in the form, or substantially in the form, of the notice of exercise prepared by or on behalf of the Company for this purpose or in such other form approved by the Company from time to time and giving the notice to the Company together with payment of the exercise price for each **Attaching** Option exercised in accordance with the instructions for exercise set out in the notice of exercise; or
 - (ii) by following any other instructions for exercise set out in the notice of exercise prepared by or on behalf of the Company for this purpose;
- (c) and, unless otherwise agreed by the Company, only upon receipt by the Company of that notice and payment or upon completion of any other instructions for exercise will the Attaching Options be taken to have been duly exercised.

4. Exercise price

- (a) The exercise price of each Attaching Option is 10 cents (\$0.10).
- (b) Payment of the exercise price of any Attaching Options by cheque or draft will be deemed to have been received by the Company at the time the cheque or draft is received if and only if the amount of the cheque or draft is in Australian currency and is subsequently paid by the payer's bank or other financial institution to or for the account of the Company as cleared funds.

5. Quotation

If Shares are granted official quotation by ASX, the Company must apply for official quotation by ASX of all Shares issued pursuant to the exercise of Attaching Options as soon as reasonably practicable after their issue, but in any case within the time limit prescribed by the ASX Listing Rules.

6. Participation in Securities Issues

- (a) **Bonus Issue**
-

(b) If at any time after the issue of Attaching Options there is a bonus issue and if after that time a holder of Attaching Options duly exercises any of the holder's Attaching Options, the Company must issue to the holder at the same time the holder acquires the Shares the subject of the exercised Options, the number of bonus securities which the holder would have received if before the record date for determining entitlements in relation to the bonus issue the holder held the securities the holder would have been entitled to in consequence of duly exercising the exercised Options.

(c) **Other Pro Rata Issue**

(d) If at any time after the issue of Attaching Options there is a pro rata issue (except a bonus issue) of Shares offered or made to the holders of Shares, the exercise price of each Attaching Option existing on the record date for determining entitlements in relation to the pro rata issue will be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

where:

O' = the new exercise price of the Attaching Option (as applicable).

O = the old exercise price of the Attaching Option (as applicable).

E = the number of Shares into which one Attaching Option is Exercisable.

P = the volume weighted average market price (as defined in rule 19.12 of the ASX Listing Rules) per share of the Shares during the 5 trading days ending on the day before the 'ex rights date' or 'ex entitlements date' in relation to the pro rata issue.

S = the subscription price for a Share under the pro-rata issue.

D = dividend (if any) due by the Company but not yet paid on the existing Shares (except those to be issued under the pro rata issue).

N = the number of securities with rights or entitlements that must be held to receive a right to one new Share pursuant to the pro rata issue.

(e) **No other issues**

Except as set out in this section 6, Attaching Options will not entitle their holder to participate in any issue of securities in or in respect of the Company other than the Shares to be acquired in consequence of the exercise of the Options.

7. Reorganisation of Attaching Options

(a) If at any time after the issue of Attaching Options:

(b) the Shares are converted into a larger or smaller number of shares, the number of Attaching Options immediately prior to such conversion will be converted in the same ratio as the Shares and the exercise price will be adjusted in inverse proportion to that ratio;

(c) the Company reduces its share capital by a return of capital to the holders of Shares, the number of Attaching Options will remain the same but the exercise price will be reduced by the same amount as the return of capital on each Share;

(d) the Company reduces its share capital by a cancellation of capital that is either lost or not represented by available assets where no Shares are cancelled, the number of Attaching Options and the exercise price will remain unaltered;

- (e) there is pro rata cancellation of Shares, the number of Attaching Options will be reduced in the same ratio as the Shares and the exercise price will be amended in inverse proportion to that ratio; or
- (f) there is any other reconstruction or reorganisation of the Company's share capital, the number of Attaching Options or the exercise price or both will be reorganised in such manner as the board of directors of the Company consider necessary so that the holders of the Attaching Options will not receive a benefit that the holders of Ordinary Shares do not receive in connection with the reconstruction or reorganisation;
- (g) provided that all entitlements will be rounded in such manner as may be approved at the meeting of holders of Shares approving the reconstruction or reorganisation of the Company's share capital) or, if there is no such approval, in the same manner as entitlements under the reconstruction or reorganisation of the Company's share capital are rounded (and if rounded down fractional entitlements will be disregarded) and in all other respects the terms of the Attaching Options will remain unchanged as a consequence of any reconstruction or reorganisation.

8. Transfer of Attaching Options

- (a) Subject to paragraph 8(b), a holder of Attaching Options may transfer each of them by:
 - (i) an instrument in writing in any usual form or in a form approved by the Company which is signed by or on behalf of both the transferor and the transferee; and
 - (ii) sending the completed transfer to the Company for registration accompanied by any evidence the Company requires to prove the title of the transferor or the transferor's right to the Attaching Option and any other evidence the Company requires to prove the right of the transferee to be registered as the owner of the Attaching Options.
- (b) A transferor of Attaching Options remains the holder of the Attaching Options transferred until:
 - (i) the transfer is registered; and
 - (ii) the name of the transferee is entered in the register of holders of Attaching Options for the Attaching Options transferred.
- (c) The Company may retain any registered instrument of transfer for the period that the Company thinks fit.
- (d) Except in the case of fraud, the Company must return any instrument of transfer which the Company declines to register, to the person who sent it to the Company together with any documents which accompanied the transfer.
- (e) To the extent permitted by law, the Company may waive all or any of the requirements for transfers of Attaching Options under the terms of the Attaching Options in this section 8 which are to be satisfied by the transferor or transferee.

9. Registration of transfers

Subject to the terms of the Attaching Options, the Corporations Act and the ASX Listing Rules, the Company may decline to register a transfer of an Attaching Option.

10. Power to suspend registration of transfers

The Company may at any time suspend the registration of a transfer of Attaching Options for any period not exceeding 30 days in a year.

11. Transmission of Attaching Options

- (a) If an Attaching Option holder dies, the only persons the Company recognises as having any title to the holder's Attaching Options or any benefits accruing in respect of those Attaching Options are:
 - (i) the legal personal representative of the deceased, if the deceased was a sole holder; and
 - (ii) the survivor or survivors, if the deceased was a joint holder.
- (b) Nothing in paragraph 11(a) above releases the estate of a deceased Attaching Option holder from liability in respect of an Attaching Option, whether the deceased held that Attaching Option solely or jointly.
- (c) A person who becomes entitled to Attaching Options because of a transmission event may
 - (i) sign a written notice stating that the person wishes to register as the holder of the Attaching Options and serve it on the Company; or
 - (ii) execute a transfer of the Attaching Options to another person;
 - (iii) subject to proving that person's entitlement by producing any evidence that the Company requires.
- (d) The rules about transferring Attaching Options apply with the necessary changes to a transfer under paragraph 11(c)(ii) as if:
 - (i) the relevant transmission event had not occurred; and
 - (ii) the person entitled to the Attaching Options because of the transmission event were the registered holder of the Attaching Options.
- (e) If 2 or more persons are jointly entitled to Attaching Options because of a transmission event, then upon being registered, they hold the Attaching Options as joint tenants with rights of survivorship.
- (f) Despite paragraph 11(a), the Company may register a transfer of Options which the holder of the Attaching Options signs prior to a transmission event, even though the Company has notice of the transmission event.

12. Listed company

- (a) The terms under this paragraph 12 only apply whilst the Attaching Options are granted official quotation by ASX and the terms in paragraphs 8 to 11 will not apply to the extent that they are inconsistent with this paragraph 12.
 - (b) Subject to the terms of the Attaching Options, a holder of an Attaching Option may transfer an Attaching Option:
 - (i) if the Attaching Option is, or is in a class of securities that is, an Approved Financial Product, through CHESS in accordance with the ASX Settlement Operating Rules;
 - (ii) if another prescribed clearing and settlement facility is approved by the board of Directors of the Company to deal with the transfer of Attaching Options, through that facility in accordance with its operating rules; or
 - (iii) if another method of transfer is approved by the board of directors of the Company to deal with the transfer of Attaching Options and under the Corporations Act or otherwise at law that method is valid and effective to transfer the Attaching Option, in accordance with that method.
-

- (c) The Company may only decline to register a transfer of Attaching Options (including by applying a holding lock, or requesting that a holding lock be applied to prevent a transfer of the Attaching Options) if permitted to do so by the ASX Listing Rules.
- (d) The Company must:
 - (i) decline to register a transfer of Attaching Options; or
 - (ii) apply a holding lock, or request that a holding lock be applied to prevent a transfer of the Attaching Options;
if:
 - (iii) the ASX Listing Rules require the Company to do so; or
 - (iv) the transfer is in breach of the ASX Listing Rules or a restriction agreement.
- (e) If in the exercise of its rights set out in this paragraph 12 the Company refuses to register a transfer of Attaching Options or applies a holding lock, or requests that a holding lock be applied, to prevent a transfer of the Attaching Options, the Company must notify:
 - (i) in the case of refusing to register a paper-based transfer, the person lodging the transfer with the Company for registration; and
 - (ii) in the case of applying a holding lock, or requesting that a holding lock be applied, to prevent a transfer of the Attaching Options, the holder of the Attaching Options;
 - (iii) in writing of the refusal or the holding lock (as the case may be) and the reason for it, within the time limit prescribed by the ASX Listing Rules. Failure to give such notice does not invalidate the decision of the Company to refuse registration or otherwise prevent the transfer.

13. Notices

- (a) The Company may send a notice in connection with the Attaching Options hand delivery, pre-paid post or facsimile transmission to a holder of Attaching Options at the holder's address as shown in the register of holders of Attaching Options or other address details the holder has supplied.
 - (b) A holder of Attaching Options may send a notice in connection with the Attaching Options by hand delivery, pre-paid post or facsimile transmission to the Company at its registered office or in such other way as the Company may have last notified the holder in writing.
 - (c) A notice sent by the Company to a holder of Attaching Options is deemed to be received:
 - (i) if sent by hand delivery, at the time of delivery if on a Business Day (as defined in the Listing Rules) at or before 5:30 pm, otherwise on the next Business Day;
 - (ii) if sent by pre-paid post, on the second Business Day after the date of posting;
 - (iii) if sent by facsimile transmission, at the time of transmission if on a Business Day at or before 5:30 pm, otherwise on the next Business Day, provided that the transmission report produced by the sending machine shows that the facsimile was sent in its entirety; or
 - (iv) if sent by email, at the time of sending if on a Business Day at or before 5:30 pm, otherwise on the next Business Day, provided that the sender does not receive a subsequent 'Out of Office' reply or similar response or a system administrator message stating that the email did not reach its intended recipient.
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14. Meeting of holders of Options

If at any time a meeting of holders of Attaching Options is required or proposed, the rules applicable to the convening and holding of, and voting at, a general meeting of the Company (e.g. rules 32 to 54 of the Constitution of the Company) will apply so far as they are capable of application (and with all necessary changes) to that meeting on the basis that on a poll a holder is entitled to 1 vote for each Attaching Option held.

SCHEDULE 2: SUMMARY OF THE KEY TERMS OF SECURED CONVERTIBLE NOTE DEED

Subscribers	<ul style="list-style-type: none"> ▪ Log Creek Pty Ltd (ACN 100 874 851) as trustee for The Log Creek Vineyard Trust ▪ Startive Ventures Inc.
Lead Subscriber	Log Creek Pty Ltd (ACN 100 874 851) as trustee for The Log Creek Vineyard Trust
Face value	Each note on its issue will have a nominal or face value of \$1 representing the amount provided (or taken to be provided) to the Company in exchange for the issue of the Note.
Maturity Date	31 July 2021
Interest Rate	<p>Each note confers on its holder the right to be paid interest which:</p> <ul style="list-style-type: none"> ▪ is calculated at the rate of 8% per annum on the face value of the note (being \$1.00); and ▪ accrues daily on and from the date of issue of the note until the date of redemption or conversion of the note.
Share price on conversion	Shares will be issued on conversion of Convertible Notes at a price of \$0.10 per Share, with one Attaching Option for every two Shares issued.
Attaching Option terms	Attaching Options will be exercisable at \$0.10 per option into one Share, and have an expiry date of 13 August 2021. The Attaching Options will otherwise be on the terms set out in Schedule 1.
Early redemption by the Company	<ul style="list-style-type: none"> ▪ The Company may at any time before the Maturity Date notify a note holder in writing that it intends to redeem all or a number of the Notes on the date that is 30 days after the date the notice of intention to redeem is received by the Note Holder (Intended Date of Redemption). ▪ The Company must within 5 Business Days as from the Intended Date of Redemption redeem those Notes by paying the money owing on the notes.
Early redemption fee	Where any Notes are redeemed or required to be redeemed in consequence of notice of redemption given at least 6 months before the Maturity Date, the Company must also pay to the note holder on the due date of payment of the money owing on the Notes an early redemption fee equal to the interest that would have been payable in respect of the Notes from the due date of redemption until the Maturity Date had the Notes not been redeemed until the Maturity Date and assuming interest is paid on each stipulated interest payment date.
Conversion Rights	<p>A note holder may notify the Company in writing that it elects to convert all or a number of the note holder's notes into Shares as follows:</p> <ul style="list-style-type: none"> ▪ by giving notice to the Company prior to the Maturity Date that it elects to convert all or a number of the note holder's notes into Shares on the Maturity Date; ▪ where a default event has occurred prior to the Maturity Date, by giving notice to the Company that it elects to convert all or a number of the note holder's notes into Shares immediately on receipt of the notice by the Company; ▪ where a trigger event has occurred prior to the Maturity Date, by giving notice to the Company that it elects to convert all or a number of the note holder's notes into Shares within 30 days following receipt of the notice by the Company; or

	<ul style="list-style-type: none"> ▪ where the Company has given a redemption notice, by giving notice to the Company within 14 days of receipt by the note holder of the redemption notice that it elects to convert all or a number of the note holder's notes the subject of that redemption notice into Shares on the proposed date of redemption of the Notes under that redemption notice <p>The Company must obtain such shareholder approvals as required for a Note holder to convert such of its Notes into Shares that would result in the Note holder acquiring Shares otherwise in contravention of section 606 of the Corporations Act.</p>
<p>Further issue of securities by the Company /Adjustment of conversion price</p>	<p>If at any time after the issue of any notes but before the notes are redeemed or converted:</p> <ul style="list-style-type: none"> ▪ the Shares of the Company are converted into a larger or smaller number of Shares, the conversion price applicable before that change to the conversion of notes into Shares will be adjusted in inverse proportion to the ratio at which those Shares are converted; ▪ the Company reduces its share capital by a return of capital to the holders of Shares or makes a special distribution by way of dividend to the holders of Shares, the conversion price applicable before that distribution to the conversion of notes into Shares will be reduced by the same amount as the amount distributed on each such Share; or ▪ there is: <ul style="list-style-type: none"> (a) any issue of shares, options or other securities by the Company which, in the reasonable opinion of a noteholder, is not on reasonable arm's length terms or for fair market value, except: <ul style="list-style-type: none"> ○ in accordance with the terms of conversion of any notes; ○ under a bonus issue made to all holders of Shares on a pro rata basis or under a rights issue; ○ an issue of Shares with an issue price of at least 80% of the volume weighted average market price for securities in that class calculated over the period of 30 trading days immediately prior to the issue date; or ○ an issue of Shares or securities convertible into Shares to be issued to employees of the Company under an employee share ownership plan approved by the board of directors of the Company which upon issue together with any other securities previously issued under the plan or any other employee share ownership plan and upon conversion of all such securities that are convertible into Shares would represent less than 5% of the total issued Shares; or (b) any other reconstruction or reorganisation of the Company's share capital which, in the reasonable opinion of a note holder, is not on reasonable arm's length terms or for fair market value, <p>the conversion price applicable before that issue, reconstruction or reorganisation will be adjusted so that the number of Shares underlying the notes is equivalent in proportion and value to the Shares the note holder would have if the notes had been converted before, and the note holder had participated in, the relevant issue, reconstruction or reorganisation, except to the extent any such adjustment is waived by a resolution of note holders passed by at least a 60% majority.</p>

Bonus Issue Rights	If there is a bonus issue and if after that time a note holder elects to convert all or a number of the note holder's notes into Shares, the Company must issue at the same time it issues the shares in respect of the conversion of the Notes, the number of bonus Shares which the note holder would have received if before the bonus issue the note holder held the Shares the note holder would have been entitled to had the note holder elected to convert the notes into Shares.
Pro Rata Issue	<p>If at any time after the issue of any notes there is a pro rata issue (except a bonus issue) of Shares offered or made to the holders of ordinary shares, the conversion price of each note existing on the record date for determining entitlements in relation to the pro rata issue will be reduced according to the following formula:</p> $O' = O - \frac{E[P - (S + D)]}{N + 1}$ <p>where:</p> <p>O' is the new conversion price of the note;</p> <p>O is the old conversion price of the note;</p> <p>E is one;</p> <p>P is the volume weighted average market price per Share of the Shares during the 5 trading days ending on the day before the 'ex rights date' or 'ex entitlements date' in relation to the pro rata issue;</p> <p>S is the subscription price for a Share under the pro rata issue;</p> <p>D is the dividend (if any) due by the Company but not yet paid on the existing Shares (except those to be issued under the pro rata issue); and</p> <p>N is the number of Shares with rights or entitlements that must be held to receive a right to one new Share pursuant to the pro rata issue.</p>
Security	<p>In consideration of the noteholder subscribing for the note, the Company has granted the noteholders security, in the form of pledges, over assets held by the Company's Ecuadorian subsidiaries, Avisoriaweb S.A. and Latamautos Corporacion S.A., and the Company's Mexican subsidiary, Latamautos Mexico S. de R.L. de C.V.</p> <p>The noteholder's rights and entitlements to the Security shall be limited in all respects to the right to appoint a receiver to take possession of the secured property for the purpose of selling the secured property on arm's length terms and, for the avoidance of doubt, the Noteholder shall not be entitled at any time to take possession of the Security in its own right or to otherwise deal with it other than through an official receiver.</p>
Quotation of Shares upon Conversion	The Company must apply for quotation on ASX of the issued Shares and Attaching Options.
Pre-emptive Rights	Notes may be offered for sale if they are offered first to each note holder and secondly to any other person and the notes may be sold and transferred pursuant to any such offer which is accepted.
Transmission of Notes	<p>A person who becomes entitled to notes because of a transmission event may:</p> <ul style="list-style-type: none"> ▪ sign a written notice stating that the person wishes to register as the holder of the Notes and serve it on the Company; or ▪ execute a transfer of the Notes to another person.
Default Events	Default events include where:

	<ul style="list-style-type: none"> ▪ the Company or a related party fails to pay within 14 days from the due date any interest or other amount payable by it in respect of any notes or under a transaction document; ▪ the Company or a related party otherwise breaches a transaction document and fails to remedy in 14 days; ▪ an insolvency event occurs; ▪ an event occurs in respect of the Company or a related party and the Company or a related party fails to redress the event to the reasonable satisfaction of the Lead Subscriber within 14 days from receipt of a written notice from the Lead Subscribers; or such longer period than 14 days as may be consented to by Lead Subscriber.
Trigger Events	<p>Trigger Events include:</p> <ul style="list-style-type: none"> ▪ without the prior written consent of the note holders, a group entity disposes of or parts with possession of, any collateral; ▪ the Company or any group entity proposes to take any action that that would require the approval of the Company's shareholders pursuant to Listing Rule 11 of the ASX Listing Rules; or ▪ without the prior written consent of the Note Holders, a transaction or series of transactions occurs which results in one or more persons (whether acting separately or in concert) directly or indirectly: <ul style="list-style-type: none"> ✓ acquiring all or a substantial part of the assets or a main undertaking of the Company or any group entity; or ✓ acquiring a relevant interest or legal or equitable interest in Shares or Securities which represent or would if converted represent at least 75% of the Shares in the Company on issue at that date
Consequences of Default Events	<p>If a default event occurs before the Maturity Date, a note holder may</p> <ul style="list-style-type: none"> • require all or a number of the Notes to be redeemed immediately; or • convert all or a number of its Notes immediately on notice
Consequences of Trigger Events	<p>If a trigger event occurs before the Maturity Date, a note holder may</p> <ul style="list-style-type: none"> • require all or a number of the Notes to be redeemed immediately, or • convert all or a number of its Notes within 30 days of notice

SCHEDULE 3 – INDEPENDENT EXPERT REPORT



LatAm Autos Limited
ABN 12 169 063 414

INDEPENDENT EXPERT'S REPORT

*We conclude the Proposed Conversion and Proposed Restructure is not Fair
but is Reasonable
for the shareholders of LatAm Autos Limited whose votes
are not to be disregarded.*

6 September 2019

6 September 2019

The Independent Directors
LatAm Autos Limited
Level 4, 100 Albert Road
SOUTH MELBOURNE VIC 3205

The Independent Directors,

RE: INDEPENDENT EXPERT'S REPORT (THE "REPORT")

1 Introduction

1.1 Overview of the Equity Raising

On 14 June 2019, LatAm Autos Limited (ASX: LAA) ("**LatAm**" or "**the Company**") announced an equity raising, the addition of two new Directors to the board and a restructuring of the outstanding convertible notes that were issued in September 2017 (comprising of partial conversion and a partial restructure of the terms of the convertible notes).

The equity raising of up to Australian Dollars ("**AUD**") 10 million consists of:

- A fully committed placement of AUD 3.2 million;
- A conditional placement of AUD 0.25 million;
- A pro-rata non-renounceable 1:4 rights issue, to raise up to AUD 6.6 million; and
- One free option for every two shares issued under the equity raising;

(collectively the "**Equity Raising**").

LatAm has successfully completed the AUD 3.2 million placement of 58,170,646 shares to institutional and sophisticated investors at AUD 0.055 per LatAm share ("**Placement**"). A further AUD 0.25 million of 4,603,592 shares will be placed to certain LatAm directors at the same price per share, subject to shareholder approval ("**Conditional Placement**").

LatAm also invited eligible shareholders to participate in a pro-rata non-renounceable 1:4 Rights Issue at AUD 0.055 per share to raise up to AUD 6.6 million ("**Rights Issue**"). The closing date for acceptances under the rights issue was 17 July 2019. The Rights Issue was not underwritten.

For every two new shares subscribed for under the Equity Raising, investors will be entitled to one free attaching listed new option ("**Attaching Option Offer**"). The Options will be exercisable at AUD 0.10 per LatAm share and have an expiry date of 13 August 2021. LatAm will seek to have the Options quoted on Australian Securities Exchange ("**ASX**"). Options issued under both the Placement and Conditional Placement will be subject to shareholder approval.

1.2 Overview of the Proposed Conversion and Proposed Restructure of the Convertible Notes

In addition to the Equity Raising, LatAm is also undertaking a restructure of the outstanding Convertible Notes, which comprises the following:

- LatAm is intending to restructure the Convertible Notes, with the holders of the Convertible Notes agreeing to redeem their Convertible Notes by subscribing to equity of approximately AUD 3.2 million of the outstanding Convertible Note value (of a total balance of AUD 9.05 million including accrued interest as at the expected redemption date of 31 July 2021), on terms



consistent with the Equity Raising, being at AUD 0.055 per Share, and with one attaching option for every two shares issued ("**Proposed Conversion**").

- The balance of the Convertible Notes will be restructured to extend the maturity date from 30 April 2020 to 31 July 2021 and reduce the conversion price from AUD 0.16 per share to AUD 0.10 per Share. Additionally, every two shares issued on conversion of the Convertible Notes will entitle the holders to one attaching option on the same terms as the Attaching Option Offer to both related and non-related parties ("**Proposed Restructure**"). The Options will be exercisable at AUD 0.10 per LatAm share and have an expiry date of 13 August 2021.
- The Proposed Conversion and Proposed Restructure are interdependent of each other with the approval by the shareholders required for both for them to be implemented (i.e. one cannot be implemented in isolation).

We note, for completeness, there are four parties who are the holders of the Convertible Notes. Two of these parties are related and two of the parties are unrelated. The parties have been outlined below. Upon the completion of the Proposed Conversion, we note that the unrelated parties will no longer hold any Convertible Notes.

The related parties are:

- Log Creek Pty Ltd ("**Log Creek**"), an entity controlled by Mr Fitzpatrick, a Non-Executive Director; and
- Startive Ventures Inc ("**Startive**"), an entity controlled by Mr Clausen, a Non-Executive Director.

The unrelated parties are:

- PM Capital Limited ("**PM Capital**"); and
- Sypkes Investments Pty Ltd ("**Sypkes**").

In relation to the Proposed Conversion of the Convertible Notes:

- Log Creek had an effective interest in approximately 15.7% of the shares in LatAm prior to the Equity Raising on a fully diluted basis. Post the Equity Raising Log Creek would have an effective interest of approximately 10.3% on a fully diluted, no shortfall basis and 12.0% on a fully diluted, shortfall basis (a total shareholding of 82,760,621);
- Log Creek holds Convertible Notes with a Face Value (plus capitalised interest) of AUD 6.07 million as at the expected redemption date of 31 October 2019 (interest in relation to the Convertible Notes is capitalised over the life of the notes);
- Log Creek has entered into a Commitment Deed with LatAm to redeem a portion of their outstanding value, being AUD 2 million (of the AUD 6.07 million as at the expected redemption date of 31 October 2019) of the Convertible Notes it holds, including accrued interest. Following redemption of the AUD 2 million Log Creek's Convertible Note balance will reduce to AUD 4.68 million as at the expected redemption date 31 July 2021 including accrued interest. The Proposed Conversion includes attaching Options on a 1:2 basis; and
- As a result of the AUD 2 million Proposed Conversion, the maximum number of securities to be issued to Log Creek will be approximately 36,363,636 Shares with approximately 18,181,818 attaching Options.

In relation to the Proposed Restructure of the Convertible Notes:

- If the maturity date of the remaining Convertible Note is extended and the conversion price reduced to AUD 0.10, Log Creek along with the other Convertible Notes holders have the option

to redeem via subscription to equity on 31 July 2021. This would result in the number of securities to be issued to Log Creek being approximately 46,829,493 shares; and

- The Proposed Restructure includes attaching Options on a 1:2 basis, which, if exercised would result in Log Creek owning an additional 23,414,747 shares.

Based on the Proposed Conversion and Proposed Restructure, Log Creek's potential shareholding would increase to 169,595,398 which equates to a 18.4% holding of total equity on a fully diluted, no shortfall basis and equates to a 21.0% holding of total equity on a fully diluted, shortfall basis. However, Log Creek's maximum potential effective shareholding would be 22.5% on an undiluted, no shortfall basis and 25.0% on an undiluted, shortfall basis if the following occurred:

- No other investors exercise the right to the existing unlisted options at AUD 0.17;
- No other investors exercise the right to the new listed options at AUD 0.10;
- No other note holder subscribes to equity at the revised maturity date.

1.3 Purpose of the Report

If the Proposed Conversion and Proposed Restructure of the Convertible Notes is approved, it is possible that Log Creek's shareholding may move from less than 20% to more than 20% of the ordinary equity in LatAm. Startive's shareholding will not move to more than 20% of the ordinary equity in LatAm. Accordingly, as set out in Section 3, under Section 611(7) of the Corporations Act 2001 (the "**Act**"), LatAm is seeking shareholder approval of both the Proposed Conversion and the Proposed Restructure (noting that implementation of each is dependent on approval of both. i.e. they are interdependent).

LatAm is also seeking approval of the Proposed Restructure under ASX Listing Rule 7.1 and 10.11, related to the issuance of securities exceeding 15% of capital and issuance of securities to a related party, respectively.

The Independent Directors of LatAm have appointed Findex Corporate Finance (Aust) Ltd trading as Crowe Horwath Corporate Finance ("**Crowe Horwath**") to prepare an Independent Expert's Report expressing our opinion as to whether or not the Proposed Conversion and the Proposed Restructure are fair and reasonable to all shareholders, with the exception of Log Creek and Startive, to assist the non-related shareholders to form a view as to whether or not to approve the Proposed Conversion and Proposed Restructure.

This Report will form part of LatAm's Notice of Meeting ("**Notice of Meeting**") and Explanatory Notes ("**Explanatory Notes**") to be sent to shareholders. Shareholders will then vote on various resolutions in connection with the Equity Raising, the Proposed Conversion and the Proposed Restructure in an Extraordinary Meeting to be held on or around September 2019).

Crowe Horwath Corporate Finance is the corporate finance arm of Findex Group and was engaged by the Independent Directors to prepare this Report. On 2 April 2019, Crowe Horwath Corporate Finance (Aust) Ltd changed its name to Findex Corporate Finance (Aust) Ltd. For the avoidance of doubt, the legal entity, all ownership, licensing and staffing remained the same. The only change was a change to using two brands – both Crowe Horwath and Findex, as relevant. As we were engaged under the Crowe Horwath brand, we have continued to adopt that reference for the purpose of this Report.

1.4 Approach to Our Assessment

On the basis that the Proposed Conversion and the Proposed Restructure are interdependent, we assessed the fairness and reasonableness of each on a combined basis (i.e. as the Proposed Conversion and Restructure defined above). Notwithstanding, we did consider individual advantages and disadvantages of each of the Proposed Conversion and the Proposed Restructure in forming our opinion, as set out below.

Regulatory Guide 111 'Content of Expert Reports' ("**Regulatory Guide 111**") issued by the Australian Securities and Investments Commission ("**ASIC**") considers that all transactions involving a party increasing or potentially increasing a shareholding above 20% are control transactions, and should be assessed as a takeover bid (refer further information **Section 3.4**).

Accordingly, we are required to assess the fairness of the Proposed Conversion and Proposed Restructure as if the Convertible Noteholders will obtain control of LatAm upon conversion.

Accordingly, in forming our opinion on whether or not the Proposed Conversion and Proposed Restructure is fair for LatAm shareholders, we compared:

- The value of the shares in LatAm prior to the Proposed Conversion and Proposed Restructure, on a controlling basis; and
- The value of the shares in LatAm post the Proposed Conversion and Proposed Restructure, on a minority interest basis.

Based on the intended timing of the Proposed Conversion and Proposed Restructure, we adopted a valuation date of 8 August 2019 for the purpose of this Report ("**Valuation Date**"), as a reasonable proxy for the value as at the date of the Extraordinary Meeting.

Under Regulatory Guide 111, an offer is deemed to be "reasonable" if it is fair, however, an offer might also be reasonable if, despite being "not fair", the expert believes that there are sufficient reasons for non-associated shareholders to accept the offer in the absence of a superior alternative.

In assessing whether the Proposed Conversion and Proposed Restructure is reasonable, we first considered whether the Proposed Conversion and Proposed Restructure is fair. Additionally, we have compared the potential advantages and disadvantages of both to LatAm shareholders, and assessed whether the advantages outweigh the disadvantages. The advantages and disadvantages in relation to the Proposed Conversion and Proposed Restructure are and discussed in detail in **Section 8.7**.

Additionally, we have given due consideration to relevant matters in other guidelines, including Regulatory Guide 112 'Independence of Experts' ("**Regulatory Guide 112**") issued by ASIC.

1.5 The Proposed Conversion and Proposed Restructure is Not Fair but is Reasonable

In our opinion, the Proposed Conversion and Proposed Restructure (on a combined basis as described in **Section 1.4**) is not fair but reasonable for the non-associated shareholders of LatAm.

Our fairness and reasonableness assessment for the Proposed Conversion and Proposed Restructure is set out below.

1.6 The Proposed Conversion and Proposed Restructure is Not Fair

1.6.1 Valuation of LatAm Shares pre and post the Proposed Conversion and Proposed Restructure

Summarised below is a comparison of the assessed value of a LatAm share before the Proposed Conversion and Proposed Restructure on a controlling basis and after the Proposed Conversion and Proposed Restructure on a minority basis under two dilutionary scenarios.

LatAm Fairness Assessment - Controlling Basis (AUD)					
		No Shortfall		Shortfall	
		Low	High	Low	High
Non-Convert - undiluted					
Value per LatAm share pre Proposed Conversion & Proposed Restructure - controlling	Section 7.4.2	0.058	0.059	0.058	0.059
Value per LatAm share post Proposed Conversion & Proposed Restructure - minority	Section 8.4.1	0.035	0.037	0.034	0.035
Value differential		(0.022)	(0.023)	(0.024)	(0.024)
Convert - fully diluted					
Value per LatAm share pre Proposed Conversion & Proposed Restructure - controlling	Section 7.4.2	0.058	0.059	0.058	0.059
Value per LatAm share post Proposed Conversion & Proposed Restructure - minority	Section 8.4.2	0.056	0.057	0.056	0.057
Value differential		(0.002)	(0.002)	(0.002)	(0.002)

The fact that the value of a LatAm share after the Proposed Conversion and Proposed Restructure, is less than the value of a LatAm share prior (under both scenarios), indicates the Proposed Conversion and Proposed Restructure is not fair for LatAm's non-associated shareholders.

In relation to the assessed value of LatAm shares, we note:

- We are required to look at the Proposed Conversion and Proposed Restructure as a control transaction in forming our opinion.
- The value attributed to LatAm shares does not reflect our opinion of the potential future share price of LatAm, rather, it reflects the valuation concepts required for the purpose of this Report as at the Valuation Date.
- If valued on a basis consistent with the metrics of certain comparable transactions and certain prior offers for LatAm, the assessed value per LatAm share would have been higher, in some instances materially.

1.6.2 Conclusion on Fairness

Since the value of a LatAm share after the Proposed Conversion and Proposed Restructure is less than the value of a LatAm share prior (under both scenarios), in our opinion, the Proposed Conversion and Proposed Restructure is not fair for LatAm's non-associated shareholders.

1.7 The Proposed Conversion and Proposed Restructure is Reasonable

Notwithstanding that the Proposed Conversion and Proposed Restructure is not fair, in our opinion, the advantages outweigh the disadvantages of the Proposed Conversion and Proposed Restructure, and accordingly, the Proposed Conversion and Proposed Restructure is reasonable.

1.7.1 Advantages to LatAm shareholders from the Proposed Conversion and Proposed Restructure

The primary advantages to the shareholders of LatAm in proceeding with the Proposed Conversion and Proposed Restructure are as follows:

a) *The Proposed Conversion results in a decrease in the liability payable by LatAm to Convertible Note holders, including ongoing obligations in relation thereto*

The Proposed Conversion involves the redemption by subscription to equity of approximately AUD 3.2 million of the outstanding Convertible Note value, thereby resulting in a significant reduction in the current AUD 7.87 million liability payable by LatAm to Convertible Note holders as at the redemption date 31 October 2019. Given LatAm's historical and current financial performance, the ability to fund the liability in April 2020 is doubtful and could result in associated cash flow difficulties and/or increased debt levels.

b) *The Proposed Conversion and Proposed Restructure frees up cash for use in business operations*

The Proposed Conversion and Proposed Restructure reduces the near term (April 2020) financial burden associated with the Convertible Note liability, and results in a reduction in the number of remaining Convertible Note holders and future capitalised interest obligations.

Consequently, this enables LatAm to direct funds for use in business operational activities and the employment of its growth strategy. It is possible that LatAm's share price will increase if LatAm improves its financial performance and executes on its growth strategy.

c) *The Proposed Restructure enables remaining (related) Convertible Note holders to participate in the future growth and performance of LatAm, on better terms*

The Proposed Restructure involves the extension of the maturity date to July 2021 and a reduced conversion price (from AUD 0.16 to AUD 0.10 per share). In addition, every two shares issued on conversion of the Convertible Notes will entitle the holders to one attaching option on the same terms as the Placement Attaching Option Offer to both related and non-related parties.

Consequently, remaining (related) Convertible Note holders will accrue interest on their Convertible Note holding (at 8% per annum), and also have the ability to participate in the future growth and performance of LatAm via both the component to be converted into equity and the component retained as convertible notes (with a more favourable (lower) conversion price). The Proposed Conversion and Proposed Restructure will enable LatAm to employ its growth strategy. It is possible that LatAm's share price will increase if LatAm executes on its growth strategy.

d) *The Proposed Conversion and Proposed Restructure also includes the granting of Options, on the same terms as the Placement Attaching Option Offer*

Redeeming Convertible Notes will entitle the holders to one attaching option for every two shares issued. Additionally, in regard to the remaining (related) Convertible Note holders, every two shares issued on conversion of the Convertible Notes will entitle the holders to one attaching option. The options will be exercisable at AUD 0.10 per LatAm share and have an expiry date of 13 August 2021.



Accordingly, the options provide a further mechanism for existing Convertible Note holders to participate in the future growth of LatAm.

e) The ability of LatAm to fund the redemption of the Convertible Notes as at the current maturity date (of April 2020) is uncertain

If the Proposed Conversion and Proposed Restructure of the Convertible Notes does not proceed, LatAm may need to redeem the Convertible Notes on their current maturity date of 30 April 2020, which would require capital expenditure by LatAm. LatAm may need to seek other funding opportunities in order to provide it with the funds necessary for the operations of LatAm. There can be no guarantee that other funding will be available on acceptable terms, or at all. At the time of this report, there were no probable alternatives known to the Directors.

f) The Proposed Conversion enables the unrelated noteholders the ability to redeem their convertible notes by subscribing to equity

The Proposed Conversion involves the redemption by subscription to equity of approximately AUD 3.2 million of the outstanding Convertible Note value on terms consistent with the Rights Issue (i.e. 1:4 at AUD 0.055 per share). Consequently, the unrelated noteholders have the ability to redeem their convertible notes now (ahead of the maturity date of April 2020) and receive equity. In addition, redemption will also include the granting of one option for every two shares issued.

We note that there are four parties who are existing holders of the Convertible Notes. Two of these parties are related and two of the parties are unrelated (refer Section 1.2). Upon the completion of the Proposed Conversion, the unrelated parties will no longer hold any Convertible Notes.

g) No superior alternatives exist

The Directors have explored a number of other strategic alternatives, which either did not progress, or it was determined were not in the best interests of LatAm's shareholders. At the date of this Report, the Directors were not aware of any superior alternatives to the Proposed Conversion and Proposed Restructure.

h) Participation of Non-Executive Directors of LatAm in the Proposed Conversion and Proposed Restructure

The fact that Mr Fitzpatrick (of Log Creek) and Mr Clausen (of Startive) are participating in the Proposed Conversion and Proposed Restructure demonstrates their support of LatAm, and commitment to the growth strategy of the Company. Log Creek has entered into a Commitment Deed with LatAm to redeem a portion of their outstanding value, being AUD 2 million (of its AUD 6.07 million as at the expected redemption date of 31 October 2019), of the Convertible Notes it holds, including accrued interest. The Proposed Conversion includes attaching Options on a 1:2 basis.

Mr Fitzpatrick of Log Creek and Mr Clausen of Startive will not be able to cast a vote in relation to the Proposed Conversion and Proposed Restructure of the Convertible Notes.

i) The Independent Directors of LatAm, including Directors who hold shares but are not party to the Convertible Notes, intend to vote in favour of the Proposed Conversion and Proposed Restructure

The Independent Directors of LatAm have advised they unanimously recommend the Proposed Conversion and Proposed Restructure on the basis they consider it a positive outcome for LatAm.

j) The Proposed Conversion and Proposed Restructure delays the liabilities associated with the Convertible Note



The liability associated with the remaining Convertible Note holders and future capitalised interest obligations is delayed with an extended maturity date (under the Proposed Restructure) to July 2021.

1.7.2 Disadvantages to LatAm shareholders from the Proposed Conversion and Proposed Restructure

The primary disadvantages to the shareholders of LatAm in proceeding with the Proposed Conversion and Proposed Restructure are as follows:

a) The Proposed Conversion and Proposed Restructure is dilutive to LatAm's current shareholders

The Proposed Conversion involves the subscription to equity of approximately AUD 3.2 million of the outstanding Convertible Note value, at AUD 0.055 per share and with one attaching option for every two shares issued. Accordingly, 58,076,720 ordinary shares will be issued to redeeming note-holders upon redemption, and further additional ordinary shares may be issued, dependent upon future exercise of the options.

Further, the remaining Convertible Notes will be restructured to extend the maturity date to 31 July 2021 and reduce the conversion price to AUD 0.10 per share (to the benefit of the Convertible Noteholders and relative dilution of shareholders). Additionally, every two shares issued on conversion of the Convertible Notes will entitle the holders to one attaching option. Accordingly, ordinary shares will be issued to redeeming note-holders (value equal to the face value, plus capitalised interest over the life of the Convertible Notes), their conversion mechanism will be more favourable and further additional ordinary shares may be issued, dependent upon future exercise of the options.

Presuming the conversion price remains less than the market price of LatAm shares, any conversion of the notes and exercise of the options would be dilutive to LatAm's existing shareholders and reduce the free float portion of LatAm's total equity.

b) Whilst Mr Fitzpatrick (of Log Creek) will not obtain control of LatAm, an effective interest of 20% or more would provide a significant influence in voting power

Should Mr Fitzpatrick obtain an effective interest of 20% or more as a result of the Proposed Conversion and Proposed Restructure, he would obtain significant influence in voting power. Notwithstanding, it is possible that Mr Fitzpatrick effective shareholding will not exceed 20%. Log Creek's maximum potential effective shareholding would be 22.5% on an undiluted, no shortfall basis and 25.0% on an undiluted, shortfall basis if the following occurred:

- No other investors exercise the right to the existing unlisted options at AUD 0.17;
- No other investors exercise the right to the new listed options at AUD 0.10;
- No other noteholder converts the Convertible Notes to equity at the revised maturity date.

Startive's maximum potential effective shareholdings will not exceed 20% under the Proposed Conversion and Proposed Restructure of the Convertible Notes.

Accordingly, depending upon the exercise of options and conversion of Convertible Notes by other investors, and potential associated conversion of capitalised interest, Mr Fitzpatrick may obtain a total effective interest of less than 20%.

c) Uncertainty as to whether LatAm can execute on its growth strategy and improve its financial performance



Whilst the Proposed Conversion and Proposed Restructure reserves funding for investment in the business operations and growth strategy, there is commercial and execution risk associated with employing LatAm's growth strategy. Consequently, improved future financial performance is not guaranteed and the ability to achieve forecast levels of intended growth is uncertain.

d) Potential requirement for additional capital in the future

Whilst the Proposed Conversion and Proposed Restructure reduces the financial burden associated with the redemption of the Convertible Notes in April 2020, additional future capital may be required. Any additional funding requirements may increase debt levels, and/or any future equity capital raised may be further dilutionary to shareholders at that time.

e) Potential emergence of a superior alternative

The non-associated shareholders of LatAm may consider that a superior alternative opportunity to the Proposed Conversion and Proposed Restructure will emerge. Notwithstanding, the Directors have explored a number of alternative capital raising and corporate transactions, which either did not progress, or it was determined were not in the best interests of LatAm's shareholders. At the date of this Report, the Directors were not aware of any superior alternatives to the Proposed Conversion and Proposed Restructure. In addition, the available time for viable alternative opportunities to emerge is running short, with capital required by LatAm to redeem the Convertible Notes (inclusive of capitalised interest) in April 2020.

1.8 Other

This letter is a summary of Crowe Horwath's opinion on the Proposed Conversion and Proposed Restructure. This letter should be read in conjunction with the detailed Report and appendices as attached. Unless the context requires otherwise, references to "we", "our" and similar terms refer to Crowe Horwath.

Our limitations and reliance on information, including unaudited financial statements, is set out in **Section 3.5**.

For the avoidance of doubt:

- the term "CY" refers the years ended 31 December;
- all figures are in "AUD" unless otherwise stated; and
- "cps" refers to cents per share.

Yours faithfully

CROWE HORWATH CORPORATE FINANCE (AUST) LTD

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2 The Proposed Conversion and Proposed Restructure of the Convertible Notes

2.1 Overview of the Equity Raising

On 14 June 2019, LatAm announced an Equity Raising, the addition of two new Directors to the board and a restructure of the outstanding Convertible Notes issued in October 2017.

The Equity Raising of up to AUD 10 million consists of:

- A fully committed placement of AUD 3.2 million;
- A conditional placement of AUD 0.25 million;
- A pro-rata non-renounceable 1:4 rights issue, to raise up to AUD 6.6 million; and
- One free option for every two shares issued under the Equity Raising.

LatAm has successfully completed a AUD 3.2 million placement of 58,170,646 shares to institutional and sophisticated investors at AUD 0.055 per LatAm share. A further AUD 0.25 million of 4,603,592 shares will be placed to certain LatAm directors subject to shareholder approval.

LatAm also invited eligible shareholders to participate in a pro-rata non-renounceable 1:4 Rights Issue at AUD 0.055 per share to raise up to AUD 6.6 million. The closing date of the rights issue was 17 July 2019. The Rights Issue was not underwritten.

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

2.2 Overview of the Current Capital Structure

Summarised below is the illustrative revised capital structure post the completion of the Equity Raising on 17 July 2019:

	LatAm Capital Structure post the Equity Raising						
	Notes	No Shortfall			Shortfall		
		Log Creek	Other	Total	Log Creek	Other	Total
Shareholding prior to Equity Raising & Convertible Notes							
Existing holding (ordinary equity)		41,234,274	378,578,376	419,812,650	41,234,274	378,578,376	419,812,650
Existing unlisted options @ AUD 0.17		3,571,429	46,328,655	49,900,084	3,571,429	46,328,655	49,900,084
Existing convertible notes @ AUD 0.16	1	37,954,918	11,213,872	49,168,791	37,954,918	11,213,872	49,168,791
Performance rights		-	8,399,998	8,399,998	-	8,399,998	8,399,998
Total shareholding prior to the Equity Raising		82,760,621	444,520,901	527,281,523	82,760,621	444,520,901	527,281,523
<i>Percentage holding - diluted</i>		<i>15.7%</i>	<i>84.3%</i>	<i>100%</i>	<i>15.7%</i>	<i>84.3%</i>	<i>100%</i>
Capital Structure post the Equity Raising							
AUD 3.2 million fully committed placement		-	58,170,646	58,170,646	-	58,170,646	58,170,646
AUD 0.25 million conditional placement	2	-	4,603,592	4,603,592	-	-	-
One free option for every two shares issued under the placement		-	31,387,119	31,387,119	-	29,085,323	29,085,323
Pro-rata non-renounceable 1:4 rights issue	3	-	119,495,824	119,495,824	-	50,382,057	50,382,057
One free option for every two shares issued under the rights issue		-	59,747,912	59,747,912	-	25,191,029	25,191,029
Shares issued under the Equity Raising		-	273,405,093	273,405,093	-	162,829,055	162,829,055
Total shareholding post the Equity Raising		82,760,621	717,925,994	800,686,616	82,760,621	607,349,956	690,110,577
<i>Percentage holding - diluted</i>		<i>10.3%</i>	<i>89.7%</i>	<i>100%</i>	<i>12.0%</i>	<i>88.0%</i>	<i>100%</i>

Source: LatAm

The above Capital Structure is for illustrative purposes only, on a fully diluted basis.

Note 1 – Convertible Note: Interest is capitalised and both the face value of the notes and all interest capitalised over the full life of the notes is converted to equity.

Note 2 – Conditional Placement: AUD 0.25 will be placed to certain LatAm Directors at AUD 0.055 per share. As at the date of this report the shares have not been issued to LatAm Directors and is subject to shareholder approval. The Conditional Placement resolution is independent of the Proposed Conversion and Proposed Restructure resolutions. We have assumed under the No Shortfall scenario the Conditional Placement is approved and under the Shortfall scenario the Conditional Placement is not approved, refer to Note 3 below for further details relating to the two scenarios adopted.

Note 3 – Rights Issue: LatAm invited eligible shareholders to participate in a pro-rata non-renounceable 1:4 Rights Issue at AUD 0.055 per share to raise up to AUD 6.6 million. Full take up of the rights issue by shareholders would result in the issuance of 119,495,824 shares. As at the date of this report there is a shortfall of 69,119,767 shares. LatAm and their brokers are currently in discussions with a number of parties regarding the shortfall, however, it is currently unknown how much stock will be placed. Based on this uncertainty we have included two scenarios throughout our analysis, as follows:

- **No Shortfall:** it is assumed 119,495,824 shares will be placed as a result of the Rights Issue; Assumes the Conditional Placement of AUD 0.25 million at AUD 0.055 per share is approved by the shareholders; and
- **Shortfall:** it is assumed a shortfall will exist of 69,113,767 shares based on the current shares placed of 50,382,057 as at the time of this report. Assumes the Conditional Placement of AUD 0.25 million at AUD 0.055 per share is not approved by the shareholders.

The Equity Raising of up to AUD 10 million consists of:

- AUD 3.2 million fully committed Placement of 62,774,238 shares to institutional and sophisticated investors at AUD 0.055 per LatAm share. A further AUD 0.25 million Conditional Placement will be placed to certain LatAm directors subject to shareholder approval;
- Plus, one free option for every two shares issued under the Placement. The Placement Offer Options will be exercisable at AUD 0.10 per LatAm share and have an expiry date of 13 August 2021;
- Pro-rata non-renounceable 1:4 Rights Issue at AUD 0.055 per share to raise up to AUD 6.6 million; and
- One free option for every two shares issued under the Rights Issue. The Rights Issue Options will be exercisable at AUD 0.10 per LatAm share and have an expiry date of 13 August 2021.

2.3 Overview of the Convertible Notes

The Convertible Notes were issued in September 2017. The key terms of the Convertible Notes upon issue are summarised below:

LatAm Key Terms of Convertible Notes	
Term	Details
Capital to be raised	<ul style="list-style-type: none"> - Tranche 1 - AUD 2 million (already fully subscribed by Log Creek - AUD 1.5 million and Startive AUD 0.5 million); and - Tranche 2 - AUD 8 million (AUD 0.75 million subscribed and \$7.25 million underwritten).
Underwriting commitments	Log Creek - AUD 6.75 million, Startive - AUD 0.5 million (in relation to Tranche 2).
Underwriting commissions	2% of the underwriting commitments, to be paid at completion of Tranche 1 funding.
Face value	AUD 1.00 per convertible note.
Interest	8% per annum, accrued daily and payable on first business day of each Quarter (based on calendar years). Unpaid interest is capitalised.
Maturity date	30 April 2020.
Money Owing	The face value of the convertible notes plus all unpaid interest in relation to same.
Redemption date	<p>30 days after the earlier of:</p> <ul style="list-style-type: none"> - the Maturity Date; - the occurrence of a Trigger Event; or - written notice at LatAm's discretion. <p>Or immediately on the occurrence of an Event of Default.</p>
Conversion price	AUD 0.16
Redemption methods	<ul style="list-style-type: none"> - Payment in cash of the Money Owing - Conversion into shares of the Money Owing based on the formula: $\frac{\text{Money Owing}}{\text{AUD 0.16}}$
Security	Over the assets of LatAm's Mexican and Ecuadorian wholly owned subsidiaries in terms of rights to appoint a receiver.
Trigger Events	<ul style="list-style-type: none"> - Not all consents, approvals and waivers in relation to the Proposed Transaction are received by 30 June 2017; - Disposal of all or part of any secured property, without prior consent; - A material change in the nature of LatAm's undertakings, that requires shareholder approval of same under the ASX Listing Rules; and - Certain sale and merger transactions involving LatAm, without prior consent.
Events of Default	<ul style="list-style-type: none"> - Failure to pay interest or other amounts due under the convertible notes; - Appointment of a liquidator, administrator, receiver or manager; - LatAm's rights to the secured assets are lost, assigned or transferred; and - Breach of a material term of the convertible note deed.
Capital re-organisations	The conversion mechanism will be adjusted in accordance with any re-organisations of LatAm's capital.
Bonus shares	Bonus issuances of shares would result in similar issuances of shares to the convertible note holder such that they are not diluted, except that ordinary course of business issuances and remuneration related issuances such as STIs and LTIs are excluded.

2.4 Overview of the Proposed Conversion and Proposed Restructure of the Convertible Notes

On 14 June 2019, LatAm announced the Proposed Conversion and Proposed Restructure of the Convertible Notes.

LatAm is intending to restructure the Convertible Notes, with the holders of the Convertible Notes agreeing to redeem their convertible notes by subscribing to equity of approximately AUD 3.2 million of the outstanding Convertible Note value, on terms consistent with the Rights Issue, being at AUD 0.055 per Share, and with one attaching option for every two shares issued on the same terms as the Attaching Option Offer to both related and non-related parties (i.e. Proposed Conversion).

The balance of the Convertible Notes will be restructured to extend the maturity date from 30 April 2020 to 31 July 2021 and reduce the conversion price from AUD 0.16 per share to AUD 0.10 per Share. Additionally, every two shares issued on conversion of the Convertible Notes will entitle the holders to one attaching option on the same terms as the Attaching Option Offer to both related and non-related parties (i.e. Proposed Restructure). The Options will be exercisable at AUD 0.10 per LatAm share and have an expiry date of 13 August 2021.

The related parties are:

- Log Creek, an entity controlled by Mr Fitzpatrick, a Non-Executive Director; and
- Startive, an entity controlled by Mr Clausen, a Non-Executive Director.

The unrelated parties are:

- PM Capital Limited; and
- Sypkes Investments Pty Ltd.

LatAm will seek shareholder approval of both the Proposed Conversion and Proposed Restructure of the Convertible Notes at a General Meeting to be held in September 2019. Mr Fitzpatrick of Log Creek and Mr Clausen of Startive will not be able to cast a vote in relation to the Proposed Conversion and Proposed Restructure of the Convertible Notes.

2.4.1 Overview of the Proposed Conversion of the Convertible Notes

In relation to the Proposed Conversion of the Convertible Notes:

- Log Creek had an effective interest in approximately 15.7% of the shares in LatAm prior to the Equity Raising on a fully diluted basis. Post the Equity Raising Log Creek would have an effective interest of approximately 10.3% on a fully diluted, no shortfall basis and 12.0% on a fully diluted, shortfall basis (a total shareholding of 82,760,621);
- Log Creek holds Convertible Notes with Face Value (plus capitalised interest) of AUD 6.07 million as at the expected redemption date of 31 October 2019. Interest in relation to the Convertible Notes is capitalised over the life of the notes;
- Log Creek has entered into a Commitment Deed with LatAm to redeem a portion of their outstanding value, being AUD 2 million (of the AUD 6.07 million as at the redemption date of 31 October 2019) of the Convertible Notes it holds, including accrued interest. Following redemption of the AUD 2 million Log Creek's Convertible Note balance will reduce to AUD 4.68 million as at the expected redemption date 31 July 2021 including accrued interest. The Proposed Conversion includes attaching Options on a 1:2 basis; and
- As a result of the AUD 2 million Proposed Conversion, the maximum number of securities to be issued to Log Creek will be approximately 36,363,636 Shares with approximately 18,181,818 attaching Options.

Summarised below is the Proposed Conversion of the Convertible Notes to equity based on the Commitment Deed entered into by Log Creek, Startive, PM Capital and Sypkes to redeem a portion or all of their holding. The below balances are at the redemption date of 31 July 2021:

LatAm Proposed Conversion of Convertible Notes to Equity						
	Notes	Log Creek	Startive	PM Capital	Spykes	Total
Balance before second redemption						
Convertible notes (including accrued interest) as at redemption date 31-Jul-21	(AUD 000s)	6,983	908	700	456	9,046
Proposed Conversion of the Convertible Notes	(AUD 000s)	2,000	189	608	396	3,194
Conversion Price		0.055	0.055	0.055	0.055	0.055
Placement Shares at Conversion Price AUD 0.055		36,363,636	3,442,605	11,061,684	7,208,795	58,076,720
Balance after second redemption						
Convertible notes (including accrued interest) as at redemption date 31-Jul-21	1 (AUD 000s)	4,683	690	-	-	5,373

Source: LatAm

Note: Interest is capitalised and both the face value of the notes and all interest capitalised over the full life of the notes is converted into equity.

Note 1 – Convertible Note balance after redemption date: after the second redemption of AUD 3.2 million the accrued interest on the remaining principal Convertible Note amount must be re-calculated. Summarised in the tables below is the revised Convertible Note balances with accrued interest:

LatAm Log Creek Convertible Note Summary				
		Principal	Interest	Principal plus Interest
Balance before second redemption as at				
31-Oct-19	(AUD 000s)	5,106	967	6,073
30-Apr-20	(AUD 000s)	5,106	1,213	6,319
31-Jul-21	(AUD 000s)	5,106	1,877	6,983
Balance after second redemption as at				
31-Oct-19	(AUD 000s)	3,574	499	4,073
30-Apr-20	(AUD 000s)	3,574	664	4,238
31-Jul-21	(AUD 000s)	3,574	1,109	4,683

LatAm Startive Convertible Note Summary				
		Principal	Interest	Principal plus Interest
Balance before second redemption as at				
31-Oct-19	(AUD 000s)	663	126	789
30-Apr-20	(AUD 000s)	663	158	821
31-Jul-21	(AUD 000s)	663	245	908
Balance after second redemption as at				
31-Oct-19	(AUD 000s)	600	-	600
30-Apr-20	(AUD 000s)	600	24	624
31-Jul-21	(AUD 000s)	600	90	690

2.4.2 Overview of the Proposed Restructure of the Convertible Notes

In relation to the Proposed Restructure of the Convertible Notes:

- If the maturity date of the remaining Convertible Note is extended and the conversion price reduced to AUD 0.10, Log Creek along with the other Convertible Notes holders have the option to redeem via subscription to equity on 31 July 2021. This would result in the number of securities to be issued to Log Creek being approximately 46,829,493 shares; and

- The Proposed Restructure includes attaching Options on a 1:2 basis, which, if exercised would result in Log Creek owning an additional 23,414,747 shares.

2.4.3 Capital Structure Post the Proposed Conversion and Proposed Restructure

Summarised below is the illustrative pro-forma capital structure of LatAm post the Proposed Conversion and Proposed Restructure of the Convertible Notes under the no shortfall and shortfall scenarios:

LatAm Pro-forma Capital Structure post the Proposed Conversion and Proposed Restructure						
	No Shortfall			Shortfall		
	Log Creek	Other	Total	Log Creek	Other	Total
<u>New Capital issued under the Proposed Conversion</u>						
Placement Shares at Conversion Price of AUD 0.055	36,363,636	21,713,084	58,076,720	36,363,636	21,713,084	58,076,720
One free option for every two shares issued under the Proposed Conversion @ AUD 0.10	18,181,818	10,856,542	29,038,360	18,181,818	10,856,542	29,038,360
<u>New Capital issued under the Proposed Restructure</u>						
New convertible notes @ AUD 0.10	46,829,493	6,899,133	53,728,627	46,829,493	6,899,133	53,728,627
Options issued on conversion of notes @ AUD 0.10	23,414,747	3,449,567	26,864,313	23,414,747	3,449,567	26,864,313
Total new capital issued under the Proposed Conversion and Proposed Restructure	124,789,695	42,918,325	167,708,020	124,789,695	42,918,325	167,708,020
Outstanding shares post the Equity Raising	82,760,621	717,925,994	800,686,616	82,760,621	607,349,956	690,110,577
Less existing convertible notes @ AUD 0.16	(37,954,918)	(11,213,872)	(49,168,791)	(37,954,918)	(11,213,872)	(49,168,791)
Complete Pro-forma Capital Structure	169,595,398	749,630,447	919,225,845	169,595,398	639,054,409	808,649,806
Percentage holding - diluted	18.4%	81.6%		21.0%	69.5%	
Percentage holding - maximum	22.5%	77.5%		25.0%	75.0%	

Source: LatAm

Note: Interest is capitalised and both the face value of the notes and all interest capitalised over the full life of the notes is converted into equity.

The above Capital Structure is for illustrative purposes only, on a fully diluted basis.

Based on the Proposed Conversion and Proposed Restructure, Log Creek's potential shareholding would increase to 169,595,398 which equates to a 18.4% holding of total equity on a fully diluted, no shortfall basis and equates to a 21.0% holding of total equity on a fully diluted, shortfall basis. However, Log Creek's maximum potential effective shareholding would be 22.5% on an undiluted, no shortfall basis and 25.0% on an undiluted, shortfall basis if the following occurred:

- No other investors exercise the right to the existing unlisted options at AUD 0.17;
- No other investors exercise the right to the new listed options at AUD 0.10;
- No other noteholder converts the Convertible Notes to equity at the revised maturity date.

Startive's maximum potential effective shareholdings will not exceed 20% under the Proposed Conversion and Proposed Restructure of the Convertible Notes.

2.5 Reason for the Proposed Conversion and Proposed Restructure of the Convertible Notes

If the Proposed Conversion and Proposed Restructure of the Convertible Notes does not proceed, LatAm may need to redeem the Convertible Notes on their current maturity date of 30 April 2020, which would require capital expenditure by LatAm. LatAm may need to seek other funding opportunities in order to provide it with the funds necessary for the operations of LatAm. There can be no guarantee that other funding will be available on acceptable terms, or at all.

2.6 Conditions Precedent

2.6.1 Provision of the Proposed Conversion and Proposed Restructure

Summarised below are the conditions precedent for the provision of the Proposed Conversion:

- LatAm enters into written agreements with noteholders to redeem AUD 3.2 million of the existing Convertible Note balance and subscription for shares in LatAm by the noteholders up to the redeemed amount of AUD 3.2 million at AUD 0.055 per Share plus attaching Options on a one for two basis and to amend the terms of the remaining Convertible Notes. The maturity date of the remaining Convertible Notes will be extended from 30 April 2020 to 31 July 2021, and the conversion price will be reduced from AUD 0.16 to AUD 0.10. On conversion of the Convertible Notes, remaining noteholders will also be entitled to one free attaching option for every two shares issued, on the same terms as the attaching Options issued under the Rights Issue
- Approval of the Proposed Conversion and Proposed Restructure is obtained pursuant to interdependent resolutions of shareholders; and
- None of the following occurs before completion of the Proposed Conversion and Proposed Restructure:
 - LatAm entering into any abnormal or unusual transaction which relates to or adversely affects LatAm;
 - an increase, reduction or other alteration of LatAm's issued share or loan capital or securities or other rights convertible into share or loan capital or grant any options for the issue of shares or other securities, other than as a consequence of the Rights Issue (including any shortfall under the Rights Issue), the placement or any transaction expressly disclosed to Log Creek prior to the date of commitment deeds executed by noteholders, or with the prior written consent of Log Creek; or
 - a breach by LatAm of any warranty under the commitment deeds entered into with noteholders, or material breach by LatAm of any other provision of the commitment deeds.

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3 Scope of Report

3.1 Purpose of the Report

If the Proposed Conversion and Proposed Restructure of the Convertible Notes is approved, it is possible that Log Creek's shareholding may move from less than 20% to more than 20% of the ordinary equity in LatAm. Startive's shareholding will not move to more than 20% of the ordinary equity in LatAm. Accordingly, as set out in Section 3, under Section 611(7) of the Act, LatAm is seeking shareholder approval of both the Proposed Conversion of the Convertible Notes and the Proposed Restructure of the Convertible Notes. Noting the approval of both are interdependent of the other.

LatAm is also seeking approval of the Proposed Restructure of the Convertible Notes under ASX Listing 10.11, related to the issuance of securities to a related party, respectively.

The Independent Directors of LatAm have appointed Crowe Horwath to prepare an Independent Expert's Report expressing our opinion as to whether or not the Proposed Conversion and the Proposed Restructure of the Convertible Notes is fair and reasonable to all shareholders, with the exception of Log Creek and Startive, to assist the non-associated shareholders to form a view as to whether or not to approve the Proposed Conversion and Proposed Restructure of the Convertible Notes.

The ultimate decision of voting for or against the Proposed Conversion and Proposed Restructure should be based on each LatAm shareholder's assessment of their own circumstances. The factors which LatAm shareholders should have regard to in making this assessment include (but are not limited to) their risk profile, expectations as to the value of LatAm shares and future stock market conditions.

LatAm shareholders should read the Explanatory Notes issued by LatAm in relation to the Proposed Conversion and Proposed Restructure. If LatAm shareholders are in doubt about the action they should take in relation to the Proposed Conversion and Proposed Restructure, they should seek independent professional advice.

3.2 Corporations Act 2001

Subject to certain exceptions, Section 606(1) of the Act ("**Section 606**") does not allow a person to acquire voting shares in a public company if that person's or someone else's voting power in the Company increases, either from 20% or below to more than 20%, or any increase from a starting point that is above 20% and below 90%.

Section 611(7) of the Act ("**Section 611**") requires that, in the absence of an offer in which all shareholders can participate, any allotment of shares resulting in a person holding in excess of 20 percent of the issued share capital of the company must be approved by the shareholders who are not participating in the proposed allotment.

Section 611 provides an exemption to Section 606 if the transaction is approved by a resolution at a General Meeting of the Company's shareholders.

LatAm is seeking exemption under Section 611 through approval by the non-associated shareholders.

3.3 ASX Listing Rules

3.3.1 Listing Rule 10

Listing Rule 10.11 prevents LatAm from issuing securities to a related party (i.e. effectively to Log Creek (Mr Fitzpatrick)) without the approval of LatAm's ordinary non-associated shareholders.

Accordingly, LatAm is seeking approval of the Proposed Conversion and Proposed Restructure under Listing Rule 10.11.

3.3.2 Listing Rule 7

Prima facie, shareholder approval is also required for the Proposed Conversion and Proposed Restructure under Chapter 7 of the Listing Rules, however, since LatAm is seeking shareholder approval under Section 611 and Listing Rule 10.11, approval under Chapter 7 is not required by virtue of Exception 16 to Listing Rule 7.1.

3.4 Basis of Evaluation

In evaluating the fairness and reasonableness of the Proposed Conversion and Proposed Restructure, we have considered the requirements of the Act and relevant Regulatory Guides issued by ASIC, which provides guidance on interpretation.

This Report takes into account the provisions of Regulatory Guide 111 issued by ASIC which states that if a company issues security and, as a consequence, the allottee acquires over 20% of the company, the transaction should be analysed as if it were a takeover bid.

Regulatory Guide 111 distinguishes “fair” from “reasonable” and considers:

- An offer to be “fair” if the value of the offer is equal to or greater than the value of the securities subject to the offer. This comparison should be made assuming 100% ownership of the “target” and irrespective of whether the consideration is scrip or cash. The expert should not consider the percentage held by the “bidder” or its associates in the target when making this comparison.
- An offer to be “reasonable” if it is fair. It might also be reasonable if, despite being “not fair”, the expert believes that there are sufficient reasons for non-associated shareholders to accept the offer in the absence of a superior alternative.

For the purposes of this Report, Crowe Horwath has treated “fair” and “reasonable” as separate concepts.

In forming our opinion on whether or not the Proposed Conversion and Proposed Restructure is fair for LatAm shareholders, we compared:

- The value of the shares in LatAm prior to the Proposed Conversion and Proposed Restructure, on a controlling basis; and
- The value of the shares in LatAm post the Proposed Conversion and Proposed Restructure, on a minority interest basis.

We assessed the above share values under two scenarios to incorporate the shortfall of the rights issue as at the date of this report. The scenarios presented in this report are as follows:

- **Scenario one - No Shortfall:** all 119,495,824 shares will be placed as a result of the Rights Issue. Assumes the Conditional Placement of AUD 0.25 million at AUD 0.055 per share is approved by the shareholders; and
- **Scenario two - Shortfall:** a shortfall will exist of 69,113,767 shares based on the current shares placed of 50,382,057 as at the time of this report. Assumes the Conditional Placement of AUD 0.25 million at AUD 0.055 per share is not approved by the shareholders.

The advantages and disadvantages in relation to the Proposed Conversion and Proposed Restructure are discussed in detail in **Section 8.7**.

Additionally, we have given due consideration to relevant matters in other guidelines, including Regulatory Guide 112 issued by ASIC.

3.5 Limitations and Reliance on Information

3.5.1 Overview

Crowe Horwath's opinion is based on economic, share market, business and trading conditions prevailing at the date of this Report. These conditions can change significantly over relatively short periods. If they did change materially, the valuation and our opinion could vary significantly. Should we become aware of any factors that alter our assumptions as given, we reserve the right to alter our Report.

This Report is based upon financial and non-financial information provided by LatAm and their advisers. Crowe Horwath has used and relied on this information for the purposes of its analysis.

Crowe Horwath has considered and relied upon the information provided by LatAm and has no reason to believe that any material facts have been withheld. The information provided to Crowe Horwath has been evaluated through analysis, inquiry and review for the purposes of forming an opinion as to whether the Proposed Conversion and Proposed Restructure is fair and reasonable to the shareholders of LatAm. Crowe Horwath does not warrant that its inquiries have identified or verified all of the matters that an audit, extensive examination or due diligence investigation might disclose.

To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, continuous disclosure rules, regulations, and policies, Crowe Horwath:

- Assumes no responsibility and offers no legal opinion or interpretation on any issue; and
- Has generally assumed that matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no legal proceedings, other than as publicly disclosed.

4 Industry Overview

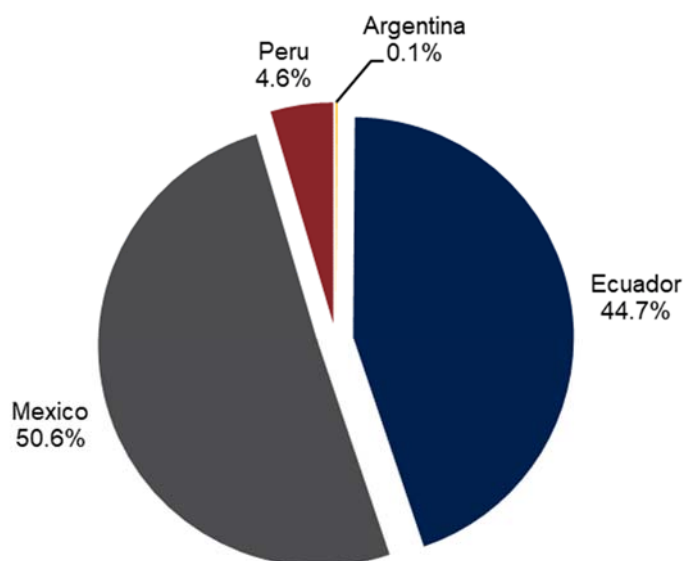
4.1 Industry Overview

LatAm operates primarily within the 'Online Car Classifieds' industry in Latin America.

Companies operating in the Online Car Classifieds industry retail automobiles online to consumers and businesses, and also provide services to aid in automobile purchases. Automobiles sold include passenger cars, trucks and sports utility vehicles. Some players offer their customers trade-in, car financing and car selling services.

The following chart summarises LatAm's CY18 revenues by country:

Figure 1: Revenue by Country



Source: Annual Report 2018 and Management

As summarised above, LatAm has operations in Mexico, Ecuador and Peru. Operations in Argentina and Panama were discontinued in 2017. As discussed in **Section 1.1**, LatAm is focussing on the Mexican and Ecuadorian markets going forward.

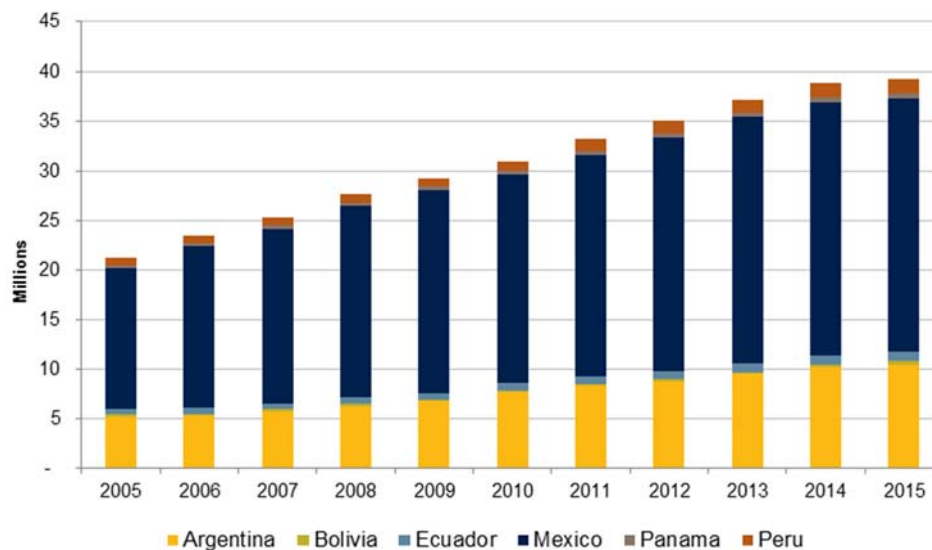
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4.2 Key Industry Drivers

Key drivers of industry performance for the Online Car Classifieds industry include:

- **Number of motor vehicles:** the number of motor vehicles directly influences the size of the online car classifieds market, as it determines the potential number of motor vehicles available for sale. An increase in the number of motor vehicles typically boosts demand for the industry's services. The number of passenger vehicles in Argentina, Bolivia, Ecuador, Mexico, Panama and Peru has grown at a CAGR of 6.9% since 2005 to 38.8 million vehicles in 2014. For completeness we note that the International Organisation of Motor Vehicle Manufacturers, has not released any global statistics beyond 2015.

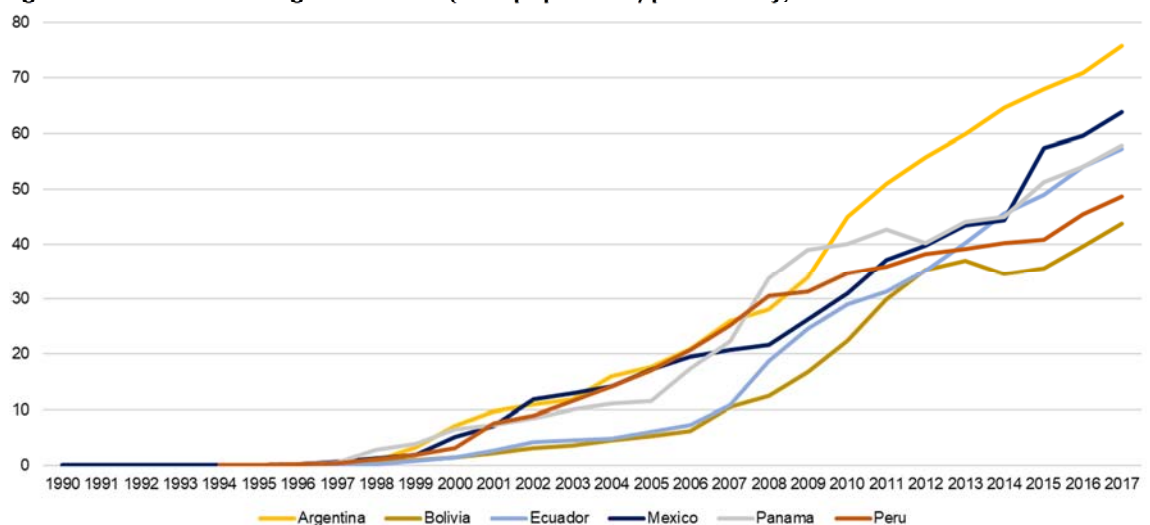
Figure 2: Number of passenger vehicles per country, 2005 – 2015



Source: International Organization of Motor Vehicle Manufactures (OICA) statistics

- **Internet connections:** the number of internet connections is an indicator of internet service uptake. A greater uptake of internet services increases the number of potential industry customers. Therefore, a higher number of internet connections positively affects industry growth. The industry's growth has been closely linked to strong growth in internet usage. In 2017 the percentage (%) of population using the internet in Argentina, Bolivia, Ecuador, Mexico, Panama and Peru varied between 48% and 75%, as shown in the following figure.

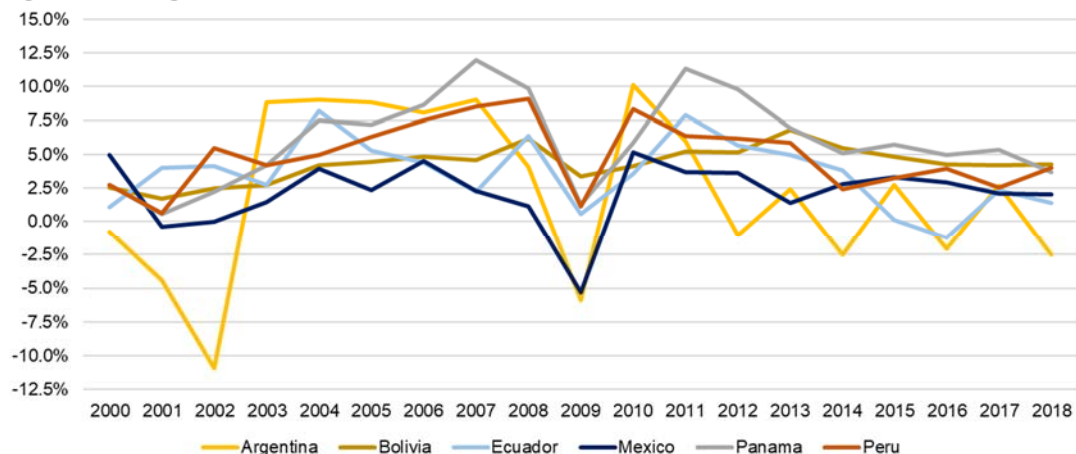
Figure 3: Individuals using the internet (% of population) per country, 1990 - 2017



Source: World Bank Group – World Development Indicators Data – Internet Usage % of Population

- **Average age of vehicle fleet:** an individual or household's decision to purchase a car is influenced by several factors, including the vehicle's safety record, performance, cost and fuel efficiency. A falling average age of vehicle fleet indicates that people are changing their cars more frequently, which typically increases demand for online car classified services.
- **Gross Domestic Product ("GDP") growth:** the number and turnover of vehicles in an economy is closely tied to the prosperity of that country. GDP growth is a measure of changing prosperity. GDP growth across the relevant Latin American countries has largely been positive in 2018, with the exception of Argentina. GDP Growth has ranged from approximately -2.5% to 4.2% in 2018. Overall, GDP growth per capita across the markets in which LatAm operates of 2.1% per annum is expected to 2019.

Figure 4: GDP growth rate, 2000 - 2018



Source: World Bank Group – World Development Indicators Data – GDP Growth Rate

- **Demand from newspaper publishing:** The Newspaper Publishing industry is the main competitor to online car classifieds. Consequently, rising demand from newspaper publishing can threaten industry growth. Lower demand from newspaper publishing is linked to a rise in online media, which positively affects industry revenue. As online car classifieds have become the preferred method of privately selling a car, industry growth typically comes at the expense of newspaper and other print media revenue.
- **Demand for urban bus and tramway transport:** Demand from urban bus and tramway transport can be used as a measure of demand for public transport services. When demand for public transport increases, demand for cars can decrease, which can subsequently reduce demand for industry service. Trends in urbanisation and government expenditure on infrastructure can influence demand for public transport.

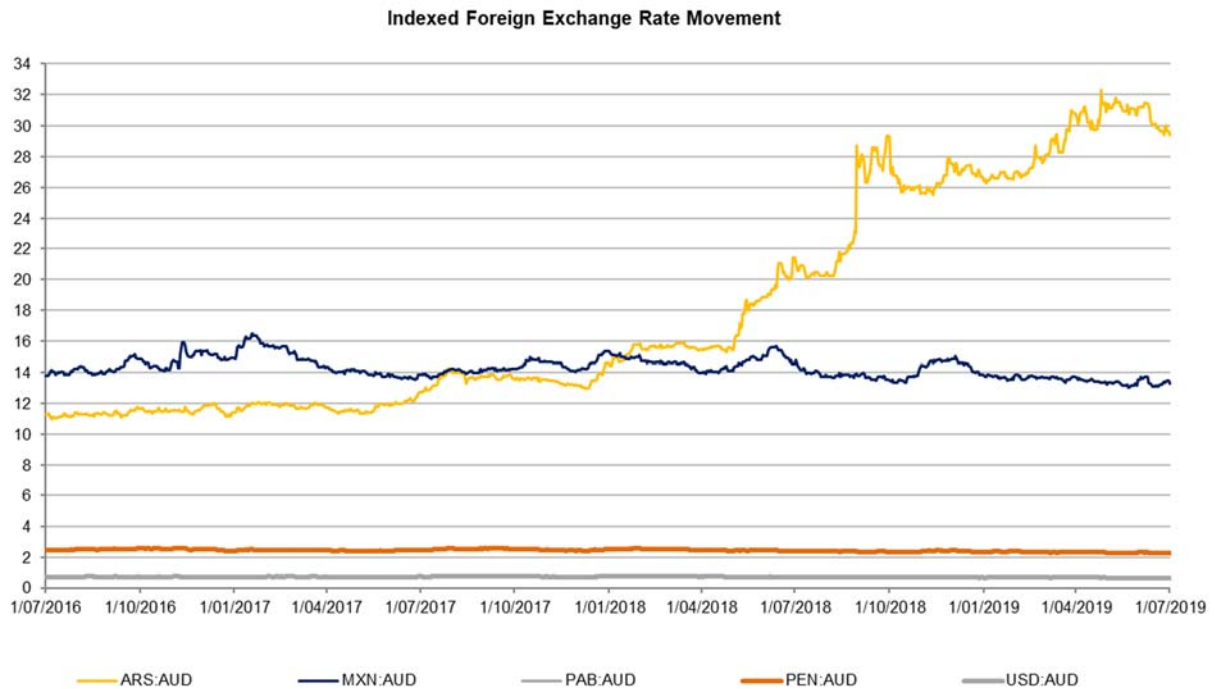
4.3 Foreign Exchange Rates

LatAm is exposed to foreign currency risk via the operations conducted by its business units and subsidiaries throughout Latin America. The activities of these business units are denominated and initially accounted for in their respective local currencies (summarised below which are then converted into AUD for reporting purposes):

- Argentina - Argentine Peso (“**ARS**”);
- Ecuador – United States Dollar (“**USD**”);
- Mexico – Mexican Peso (“**MXN**”)
- Panama –USD or Panamanian Balboa (“**PAB**”); and
- Peru - Peruvian Nuevo Sol (“**PEN**”).

The chart below summarises relative fluctuations in the key currencies that LatAm is exposed to:

Figure 5: Indexed Foreign Exchange Rate Movement, 2016 - 2019



Source: Capital IQ

For completeness we note in the graph above that the PAB and the USD are the same line.

4.4 Conclusion

The future growth and success of LatAm will be closely aligned with its ability to leverage the following geographical and demographical trends combined with the acceleration of its Motorfy platform, leading to new and enhanced revenue streams:

- Growth in online advertising expenditure resulting from a shift in expenditure away from traditional / offline media channels due to increasing internet accessibility and usage;
- Increasing levels of car ownership stimulated by increasing GDP and therefore individual income levels;
- Increased take up of internet and mobile connections;
- Shift in consumer preference regarding the use of public transport; and
- Growing focus on Latin America by major vehicle manufacturers.

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5 Profile of LatAm

5.1 Background

5.1.1 Overview

Formed via a series of acquisitions and listed on the ASX on 17 December 2014, LatAm is an online automotive classifieds business that also provides online automotive content, various automotive magazines and is in the process of diversifying into new automotive-related revenue streams in the areas of car finance, GPS tracking, car insurance and mechanical guarantees.

Across its traditional operating activities, LatAm generates revenues primarily from listing fees, advertisers and subscription fees. Depending upon the ongoing development and effectiveness of the new revenue streams, they may transform the LatAm business overtime, as discussed below further.

Whilst listed on the ASX, LatAm has operations in Mexico, Ecuador and Peru. Operations in Argentina and Panama were discontinued in 2017. As discussed in **Section 1.1**, LatAm is focussing on the Mexican and Ecuadorian markets going forward.

Part of the strategic growth strategy of LatAm have been to expand into new revenue streams, namely through the application platform unique to the company; Motorfy. Since the launch of the Motorfy app LatAm has seen an increase in its cross-sell ability (and subsequently revenue). The functionality of the Motorfy App is described in **Section 1.1**.

Furthermore, LatAm is placing an increased focus on its Ecuadorian and Mexican markets, and a reduced focus on its other geographic markets.

5.1.2 Business Units

Summarised below is an overview of LatAm's operating businesses:

LatAm Summary of Business Units				
Business / entity	Brand / website	Locations	Founded	Date acquired
AutoFoco	Autofoco.com	Argentina	1999	15-Sep-14
Seminuevos	Seminuevos.com & cars.mx	Mexico	2000	22-Oct-14
Avisoriaweb	Patituerca.com	Ecuador, Panama & Bolivia	2004	17-Dec-14
Todoautos	Todoautos.com.pe	Peru	2005	31-Oct-14
Demotores	Demotores.com.mx & demotores.com.pe	Mexico & Peru	2010	24-Dec-14

In relation to the operations:

- All businesses have online auto classified operations;
- Patituerca leverage online content developed by the Company and a new short form, free-to-consumer magazine;
- Since 2015, Seminuevos and Demotores have operated together as Seminuevos; and
- Certain new products have and are in the process of being launched across the various geographies.

5.1.3 Competition

LatAm competes against other car focussed classifieds websites, general classifieds websites and offline channels of car sales. Based on the number of listings and traffic in its key markets of Mexico and Ecuador, LatAm's businesses are the clear market leaders compared to other dedicated auto classifieds websites. Offline channels for auto sales include car dealers and print publications.

5.1.4 High Underlying Growth

LatAm has experienced a high level of underlying growth since 2014 (i.e. since listing on the ASX). Due to foreign exchange rate fluctuations, not all of this underlying growth is necessarily visible in AUD reported revenues.

Since LatAm's Initial Public Offering ("IPO") in 2014, revenues in Mexico and Ecuador increased at a compound annual growth rate ("CAGR") of 45% and 21% respectively on a constant currency basis. Reflecting the aggregation and investment in integrating the businesses and demographic and regional growth factors related to the relevant geographies. Notwithstanding the underlying and headline revenue growth, each business unit, reported an EBITDA loss in FY18.

Evidence of underlying growth can be seen by the increase in the following from December 2017 to December 2018 (per the Audited financial statements):

- **Revenue Growth:** revenues (in local currency) grew by 63% in Mexico and 17% in Ecuador;
- **Website Growth:** organic website traffic has grown 13% in Mexico and 5% in Ecuador;
- **Growth in cross sell products:** cross sell revenues (in local currency) have increase by 5% in Ecuador and 536% in Mexico;
- **Leads:** increased by 31% in Mexico: and
- **EBITDA Improvement:** overall improvement in Adjusted EBITDA of 13% (excluding share-based payments).

We note that evidence of the underlying growth has also been demonstrated in the following three key growth drivers for LatAm:

- **Rising Internet Penetration:** in line with the information presented at **Section 4.2**, there has been an increase in the internet penetration in LatAm's key markets of c. 63.7% in 2018
- **Organic Website Growth:** between April 2018 and April 2019, there has been a 31% organic growth in website traffic for the Mexican market and a 26% increase in website traffic for the Ecuadorian market; and
- **Substantial Lead Over Competition:** in both the Mexican and Ecuadorian market LatAm is the clear leader in listings, and web traffic in comparison to their competitors.

5.2 Revenue Streams

For completeness we note that in early 2017 LatAm changed its focus to concentrate on monetising its best performing markets, being Ecuador and Mexico, whilst reducing expenditure across Argentina, Panama and Peru in the short term. The website of Panama continue to operate, though the company no longer has a physical presence in these countries, this is reflected in the FY18 Revenue breakdown in **Section 4.1**.

5.2.1 Current Revenue Streams

As it currently stands LatAm has the following revenue streams:

- **Classifieds:** which include dealer listings, private listings, advertising and lead generation revenues; and
- **Motorfy:** an application platform which includes auto finance, GPS tracking, General insurance and Mechanical Guarantee revenues.

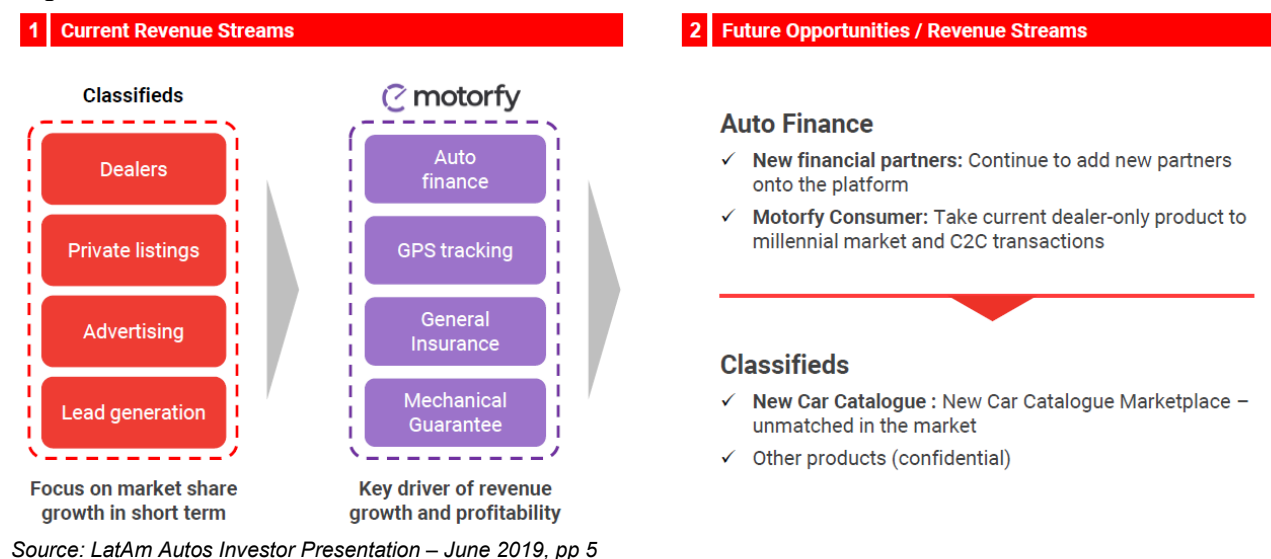
5.2.1 Future Revenue Streams

As outlined in its recent announcements to the market, LatAm's future growth revenue streams include:

- **Classifieds:** LatAm intends on launching a new car catalogue marketplace, which is unlike anything in the market presently. There are also some confidential products management are looking at which they believe will increase revenue; and
- **Auto Finance:** LatAm intends to continue to add new partners on the auto finance platform and to take the Motorfy platform which is currently a dealer-only product, to the greater market, particularly targeting the millennial market.

Outlined in the figure below is a visual representation of the current and future revenue streams:

Figure 6: Revenue and Future Streams



5.3 Capital Raising History

5.3.1 Successful Capital Raisings

Key recent capital raising activities occurred on (dates below in **bold** are announced dates):

- **17 December 2014**: being the IPO whereby LatAm raised AUD 18 million at AUD 0.30 per share to fund the acquisitions and initial integration and operational capital;
- **30 October 2015**: being a share placement whereby LatAm raised AUD 20.2 million at AUD 0.31 per share to fund investment in new products and support ongoing operations. AUD 18 million related to a private placement component and AUD 2.2 million to a Directors' placement component;
- **13 April 2017**: being a private placement of secured convertible notes whereby LatAm raised AUD 10.00 million at AUD 1 per note. The notes are convertible into one common share of the company at price AUD 0.16 per share, upon conversion on April 30, 2020. The proceeds were used for pre-sales expenses and business development in relation to new products, general sales and marketing activities, operating costs and expense, general working capital and for cost and capital requirements associated with achieving its business plan. The placement concluded on 30 September 2017
- **11 December 2017**: being a private placement of 39,300,000 shares for a total value of AUD 5.5 million and included a Special Private Placement which closed for AUD 1.67 million (11,935,261). The proceeds were used to expand its marketing and technology capability, to pay personnel expenses, to provide additional working capital and to pay the costs associated with undertaking the transaction. The placement concluded on 12 January 2018; and
- **3 September 2018**: being a private placement of 40,000,000 shares at AUD 0.20 per share, raising AUD 8.00 million. The proceeds were used towards the redemption of the outstanding convertible notes, working capital and capital raising costs. The placement concluded on 10 September 2018.

5.4 Key Events

Key events since inception are summarised below:

LatAm History of Key Events	
Date	Milestone
2014	<ul style="list-style-type: none"> ▪ Seed capital raised to acquire assets. ▪ Online auto-classified businesses acquired in Latin America: AutoFoco.com, PatioTuerca.com, Seminuevos.com, todoautos.pe, Demotores.com. ▪ LatAm lists on the ASX at a market capitalisation of AUD 72m and with an offer price of AUD 0.30 per share. IPO in the amount of AUD18m.
2015	<ul style="list-style-type: none"> ▪ Investment made to integrate regional websites under a consistent platform and brand. ▪ AUD 20.2m in capital raised under a share placement.
2016	<ul style="list-style-type: none"> ▪ Investment in brands while continuing market share growth. ▪ Launch of MotorCredit and CarSync in Ecuador. ▪ Change in focus to the Ecuadorian and Mexican markets, with a reduced focus on other markets. Impairment of Argentinian assets.
2017	<ul style="list-style-type: none"> ▪ Trading halt on 31 January to undertake a capital raising. ▪ Further new product launches. ▪ Resumption of trading on 18 April 2017. ▪ Private placement of secured convertible notes raising AUD10m, announced on 12 April 2017, concluded on 30 September 2017. ▪ Trading halt on 7 December to allow for institutional placement to take place.
2018	<ul style="list-style-type: none"> ▪ Trading halt on 30 August to undertake a capital raising.
2019	<ul style="list-style-type: none"> ▪ 14 June 2019, the announcement of Equity Raising of up to AUD 10m, and proposed conversion and proposed restructure of convertible notes

Source: Directors of LatAm, ASX & Capital IQ

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5.5 Financial Performance

Summarised below is the historical financial performance of LatAm for CY15 to CY18.

LatAm					
Financial Performance (AUD 000s)					
	Notes	CY15	CY16	CY17	CY18
Operating income	1	6,623	5,328	5,556	7,513
YoY growth		n/m	-0.19553073	0.042792793	0.35223182
Foreign exchange gain/(loss)	2	404	-	-	-
Expenses	3	(19,171)	(16,875)	(15,229)	(16,641)
Reported EBITDA	4	(12,144)	(11,547)	(9,673)	(9,128)
Depreciation & amortisation	5	(1,138)	(1,640)	(1,997)	(2,143)
Impairment	6	-	(95)	(180)	(258)
Reported EBIT		(13,282)	(13,282)	(11,850)	(11,529)
Interest Income	7	54	64	10	31
Interest Expense	7	(3)	-	(902)	(1,522)
NPBT		(13,231)	(13,218)	(12,742)	(13,020)
Income tax (expense)/benefit	8	(1,220)	424	257	(41)
Loss after income tax (expense)/benefit from	9	-	(2,886)	(1,465)	(72)
NPAT		(14,451)	(15,680)	(13,950)	(13,133)

Source: Audited Financial Statements, Financial years 2015-2018

Notes:

- Revenue:** increased at a CAGR of 4.3% from FY15 to FY18. The increase in revenue reflects the aggregation and integration of the five business units. Furthermore, the strategic decisions of management to focus on the primary markets of Ecuador and Mexico, coupled with the Motorfy offering has contributed to the increase in revenue over the years.
- Foreign exchange gain:** In CY15, foreign exchange gains were separately reported. In other periods, foreign exchange losses were incurred and are included in expenses. Operating throughout Latin America, foreign exchange gains and losses are a normal occurrence for LatAm.
- Expenses:** predominantly comprised staff and advertising costs. Other key expenses included as well as professional fees and commission related expenditure.
- Reported EBITDA:** has been negative in all periods, however since FY14, EBITDA loss has decreased year on year. Furthermore, we note, all market segments reported an EBITDA loss in FY18.
- Depreciation & amortisation:** comprised depreciation in relation to plant and equipment, as well as amortisation of software, domain names and trademarks. Consistent with accounting standards, LatAm's identifiable intangible assets and goodwill in relation to the business units are tested for impairment.
- Impairment:** In CY16 and CY17 relates to the impairment of receivables. In CY18 impairment relates to plant and equipment and receivables.
- Interest Income & Expense:** interest income reflects interest earned on cash held. Interest expenses reflects the interest payable on the convertible notes and loss on redemption of the convertible notes.

8. **Income tax benefit/(expense):** reflects the reconciliation of prima facie income tax expenses / benefits in each period to tax related adjustments as set out in the audited financial statements.
9. **Loss after Income tax benefit/(expense) from discontinued operations:** reflects the relevant tax loss adjustments in the audited financial statements relating to the discontinued operations relating to Argentina and Panama (i.e. offices closed).

5.5.1 Financial Performance Update – July 2019

We note that on 12 July 2019, LatAm released its June 2019 Quarterly Report, via an announcement on the ASX. For completeness we have some key highlights below (incorporating both financial and non-financial indicators);

- For the quarter ended June 2019 (i.e. Q2), cash inflows from Motorfy Mexico (the Company's core growth drive, increased by 62% in comparison to the prior corresponding period. The increase was driven primarily by growth in loans and insurance;
- Motorfy unit sales increased by 15% vs Q1 2019 (i.e. period ended March 2019);
- The June quarter was the first full quarter in which the new dealer lead management system was in play. The result saw an increase of 158% in leads to classifieds clients in Mexico, and a corresponding 30% increase in cash inflows from car dealer's vs Q1;
- In the month of June, organic traffic saw an increase of 61% in Mexico and 66% in Ecuador;
- Continued development of the New Motorfy loan products in conjunction with leading Mexican financial institutions, including a trial pilot program launched in June with BBVA Mexico (if the program is successful, this may lead to a contracted agreement); and
- Overall, cash inflows growth in Motorfy Mexico during the June quarter, were offset by lower cash inflows from Ecuador and advertising inflows in Mexico.

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5.6 Financial Position

Summarised below is the historical financial position of LatAm as at 31 December 2016, 2017, 2018 and the proforma balances at 31 December 2018 in light of the Proposed Conversion. We note the proforma balances have been included for completeness only, we have not commented on these matters as such in this section.

LatAm Financial Position (AUD 000s)					Proforma
	Notes	As at 31-Dec-16	As at 31-Dec-17	As at 31-Dec-18	As at 31-Dec-18
Assets					
Cash and cash equivalents	1	4,915	6,789	6,600	15,990
Trade and other receivables	2	4,179	4,063	2,838	2,838
Inventories	2	15	-	-	-
Prepayments	2	355	301	371	371
Total current assets		9,464	11,153	9,809	19,199
Sales tax receivables		44	-	889	889
Property, plant & equipment	3	532	352	352	352
Intangible assets	4	24,171	21,811	23,321	23,321
Deferred tax		513	548	593	593
Other			-	-	-
Total non-current assets		25,260	22,711	25,155	25,155
Total assets		34,724	33,864	34,964	44,354
Liabilities					
Trade and other payables	2	3,011	3,128	4,780	4,780
Provisions	5	1,039	993	1,092	1,092
Deferred revenue	6	315	287	260	260
Total current liabilities		4,365	4,408	6,132	6,132
Deferred tax		830	612	624	624
Employee benefits		151	230	254	254
Convertible notes	7	-	9,122	6,913	3,778
Total non-current liabilities		981	9,964	7,791	4,656
Total liabilities		5,346	14,372	13,923	10,788
Net assets		29,378	19,492	21,041	33,566
Equity					
Issued capital	8	59,647	63,970	76,306	88,831
Other contributed equity	9	-	1,491	1,693	1,693
Reserves	10	1,572	(50)	1,858	1,858
Accumulated losses	11	(31,841)	(45,919)	(58,816)	(58,816)
Total equity		29,378	19,492	21,041	33,566

Source: Audited Financial Statements, Financial years 2016-2018

Notes:

1. **Cash & cash equivalents:** comprises cash at bank.
2. **Working capital:** comprises trade and other receivables, inventories and trade and other payables.
3. **Property, plant & equipment:** comprises predominantly of office fit outs and equipment.
4. **Intangible assets:** represents software, domain and trademarks, content and residual goodwill. In CY18 goodwill is allocated across the following cash generating units (“CGU”);
 - a. Demotores.com.mx & Seminuevos.com (Mexico);
 - b. PatioTuerca.com (Ecuador & Bolivia); and
 - c. Todoautos.pe (Peru).

Consistent with accounting standards, LatAm’s identifiable intangible assets and goodwill are tested for impairment annually. In CY16, certain assets of the Argentinian business were impaired, reflecting LatAm’s reduced focus on this market going forward.

5. **Provisions:** relate to employee benefits and provisions for labour and regulatory costs.
6. **Deferred revenue:** relates to cash received from customers paying for subscriptions where services have not yet been delivered.
7. **Convertible notes:** relates to the net value of the convertible note on issue in CY17 and CY18. The net value of the convertible note was calculated as extracted from the 2018 audited financial statements (refer below)

Figure 7: Convertible notes (extract)

	Consolidated	
	2018	2017
	\$'000	\$'000
Fair value of notes on dates of issue	10,000	10,000
Other equity securities - value of convertible rights	(1,450)	(1,450)
	8,550	8,550
Expenses associated with the liability component	(326)	(326)
Accumulated interest expense	2,178	898
Liability redeemed during the year	(2,710)	-
Conversion to equity during the year	(779)	-
Non-current liability	6,913	9,122

Source: Audited Financial Statements, Financial year 2018

8. **Issued capital:** movements in share capital are summarised in **Section 5.9** As at 31 December 2014, the balance of issued capital reflected the post IPO capital structure of LatAm. Movements in CY17 to CY18 relate to the private placement of shares, as outlined in **Section 1.1** .
9. **Other contributed equity:** relates to the convertible notes and a variation of reserves related to post-employment benefits provision
10. **Reserves:** represents a foreign currency reserve and a share-based payments reserve.
11. **Accumulated losses:** reflects the retained losses of LatAm net of current year earnings.

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5.7 Cash Flow Statement

Summarised below are the historical cash flows of LatAm for FY17 and FY18:

LatAm			
Cash Flows (AUD 000s)			
	Notes	FY17	FY18
<u>Cash flows from operating activities</u>			
Receipts from customers		7,024	9,846
Payments to suppliers and employees		(17,324)	(16,502)
Interest received		10	36
Other - Net Sales tax recovered/(paid)		(69)	(120)
Net cash used in operating activities	1	(10,359)	(6,740)
<u>Cash flows from investing activities</u>			
Payments for intangible assets		(1,008)	(702)
Payments for property, plant & equipment		(35)	(123)
Payment for purchase of businesses, net of cash required		-	-
Net cash used in investing activities		(1,043)	(825)
<u>Cash flows from financing activities</u>			
Proceeds from issue of shares	2	4,663	10,687
Share issue transaction costs		(1,069)	(357)
Proceeds from convertible note	3	10,000	-
Repayment of convertible note	4	-	(2,945)
Net cash used in financing activities		13,594	7,385
Net increase/(decrease) in cash & cash equivalents		2,192	(180)
Cash & cash equivalents at the beginning of the financial year		4,915	6,789
Effects of exchange rate changes on cash and cash equivalents		(318)	(9)
Cash & cash equivalents at the end of the financial year		6,789	6,600

Source: Audited Financial Statements, Financial years 2017 - 2018

Notes:

- Net cash used in operating activities:** represents an outflow of cash in each period reflecting the early stage nature of LatAm's operations.
- Proceeds from issue of shares:** represents the tranches of the private placement placed in CY17 and CY18.
- Proceeds from convertible note:** represents the convertible note issue in CY17.
- Repayment of convertible note:** relates to the first redemption of the Convertible Note to equity by Log Creek, therefore reducing the Convertible Note liability.

5.8 Shares Outstanding

5.8.1 Top 10 Largest Shareholders

Summarised below are LatAm's largest shareholders as at 12 August 2019:

LatAm Top 10 Largest Shareholders - 12 August 2019			
Rank	Shareholder	Shares Outstanding	% Total
1	Perennial Value Management Limited	58,895,955	11.15%
2	Chestnut Partners Ltd, Asset Management Arm	46,348,600	8.77%
3	Log Creek Pty Ltd.	41,234,274	7.80%
4	Clausen, Simon Alvin (Independent Non-Executive Director)	29,839,290	5.65%
5	Ribadeneira, Jorge Mejía (CEO & Executive Director)	16,516,447	3.13%
6	Fern Estates Pty Ltd	14,950,185	2.83%
7	Netwealth Investments Ltd.	10,102,929	1.91%
8	SDS Capital No 2 Pty Ltd	6,355,925	1.20%
9	McCleave, Robert Edward	4,500,000	0.85%
10	Martin Penny Pty Limited	4,277,142	0.81%
		233,020,747	44.1%
Top 10 largest shareholders		233,020,747	44.1%
Shares held by other shareholders		295,344,606	55.9%
Total shares outstanding		528,365,353	100%

Source: Capital IQ and Audited Financial Statements, Financial year 2018

5.8.2 Shares Issued Since 1 January 2018

Summarised below are new issues of LatAm shares since 1 January 2018:

LatAm Issuances of Ordinary Share Capital				
Details	Date	Shares	Issue Price (AUD)	\$'000
Balance - opening	31-Dec-17	344,746,954		63,970
Issue of placement shares	12-Jan-18	855,437	0.14	117
Issue of shares for consulting services rendered	12-Jan-18	195,631	0.11	20
Issue of shares for consulting services rendered	12-Jan-18	491,001	0.11	50
Issue of placement shares	19-Jan-18	11,935,261	0.14	1,671
Issue of placement shares	04-Apr-18	5,850,376	0.14	819
Share issue to employees	14-Jun-18	6,379,498	0.14	893
Issue of shares for consulting services rendered	14-Jun-18	207,056	0.13	27
Exercise of unlisted options	21-Aug-18	1,293,810	0.17	220
Exercise of unlisted options	31-Aug-18	17,857	0.17	3
Issue of placement shares	10-Sep-18	40,000,000	0.20	8,000
Issue of fully paid ordinary shares upon conversion of Convertible Note	19-Oct-18	5,343,750	0.16	855
Issue of shares for consulting services rendered	19-Oct-18	342,857	0.14	48
Issue of shares for consulting services rendered	19-Oct-18	82,191	0.18	15
Cost of issuing shares				(326)
Difference in carrying amount of convertible notes on redemption				(76)
Balance - Closing	31-Dec-18	417,741,679		76,306

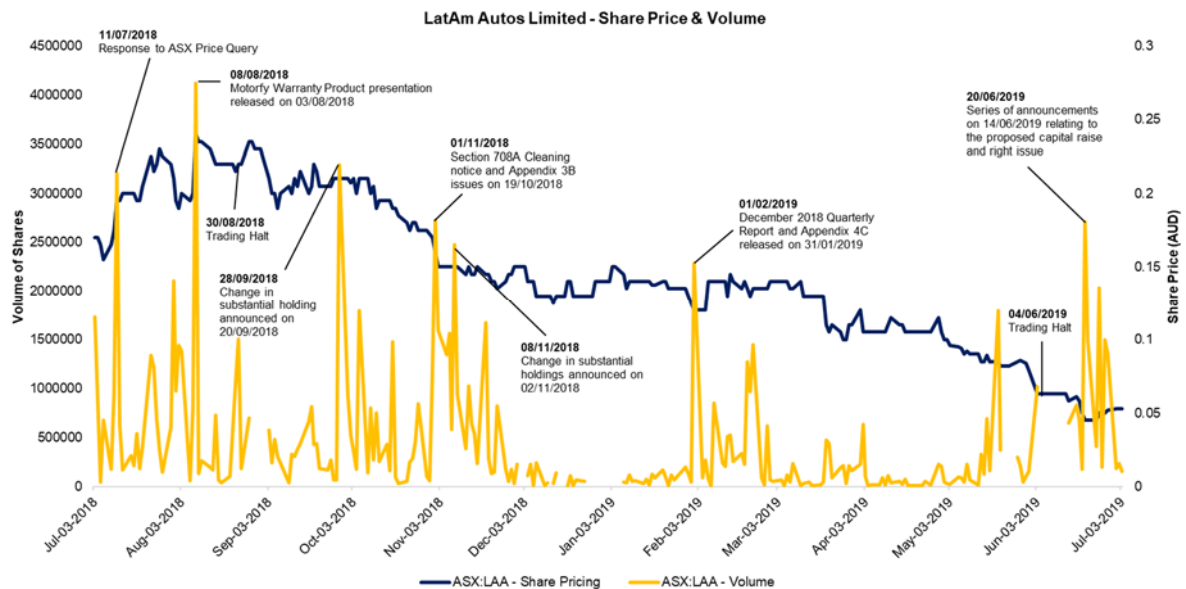
Source: Audited Financial Statements, Financial year 2018

5.9 Share Price Analysis

5.9.1 Overview

Summarised below are the prices and volumes at which LatAm shares traded during the past twelve months, together with commentary in relation to key events:

Figure 8 – Share Price and Volume Analysis



Source: Capital IQ

5.9.2 Prior to Trading Halt and Announcement of a Proposed Capital Raising

Summarised below is volume and price information in relation to trading in LatAm on a monthly basis during the 12 months prior to the trading halt and first announcement, on 4 June 2019, that LatAm was undertaking a capital raising:

LatAm Recent Share Trading Activity - Monthly					
Period	Share Price AUD			Volume Traded	
	Low	High	VWAP	Total	%
Jun-19	0.063	0.100	0.082	5,854,220	2.073%
May-19	0.096	0.115	0.108	1,061,510	0.376%
Apr-19	0.097	0.140	0.112	3,381,430	1.197%
Mar-19	0.105	0.150	0.135	8,185,170	2.898%
Feb-19	0.120	0.150	0.127	3,768,780	1.337%
Jan-19	0.125	0.140	0.138	3,394,480	1.204%
Dec-18	0.125	0.160	0.148	15,060,500	5.343%
Nov-18	0.160	0.215	0.185	12,695,310	4.554%
Oct-18	0.180	0.210	0.208	11,201,370	4.215%
Sep-18	0.185	0.240	0.224	12,502,260	5.314%
Aug-18	0.155	0.240	0.196	19,018,360	8.101%
Jul-18	0.125	0.200	0.160	12,691,710	5.459%

Source: Capital IQ

The percentage of volume traded was calculated against the free float balance of shares outstanding, being total shares outstanding excluding shares owned by Management or Directors.

Summarised below is further share price and volume data, but from a lookback perspective, being various periods immediately prior to the first announcement, on 4 June 2019, that LatAm was undertaking a capital raising:

LatAm					
Recent Share Trading Activity - Lookback					
Lookback period	Share Price AUD			Volume Traded	
	Low	High	VWAP	Total	%
1 day	0.063	0.073	0.063	1,015,560	0.360%
1 week	0.063	0.086	0.070	1,536,530	0.544%
1 month	0.063	0.096	0.082	5,854,220	2.073%
2 months	0.063	0.115	0.086	6,915,730	2.448%
3 months	0.063	0.140	0.095	10,297,160	3.645%
6 months	0.063	0.150	0.118	25,645,590	9.079%
9 months	0.063	0.230	0.154	64,602,770	22.871%
12 months	0.063	0.240	0.170	108,815,100	38.524%

Source: Capital IQ

Key observations in relation to trading in LatAm shares are that:

- LatAm shares traded on every day on which the ASX was open for trading during the 12-month observation period, being 240 days;
- An average of around 9.067 million LatAm shares trade each month, which represented around 42.07% of LatAm's free float capital base during the 12-month period; and
- Whilst LatAm's share price dropped to AUD 0.053 on 3 June 2019, it traded at a VWAP of around AUD 0.082 to 0.118 during the one, two and three months and six-month period prior to the announcement that LatAm was looking to raise capital.

We also note that LatAm regularly discloses extensive information to the market in terms of its strategy, environment and ongoing operational and financial performance.

5.9.3 Post Trading Halt and Announcement of a Proposed Capital Raising

Following a series of ASX announcements on 4 June 2019, including a company update in relation to the Proposed Conversion and Proposed Restructure and an investor presentation, LatAm shares recommenced trading on 14 June 2019.

In the 38 trading days since recommencement of trading and to 8 August 2019, LatAm shares traded at a VWAP of AUD 0.048 and closed at a daily low and high of AUD 0.0042 and 0.0067 respectively, during the post trading halt period. We have summarised our analysis in the table below:

LatAm					
Recent Share Trading Activity - Lookback					
Lookback period	Share Price AUD			Volume Traded	
	Low	High	VWAP	Total	%
1 day	0.046	0.047	0.0470	214,490	0.055%
1 week	0.046	0.053	0.0474	883,260	0.225%
1 month	0.042	0.055	0.0462	15,092,020	4.412%
Post 14/06/2019	0.042	0.067	0.048	28,076,920	8.098%

Source: Capital IQ

6 Valuation Methodology

6.1 Overview

The best determinant of value is the price at which the business or a comparable business or an equity interest in that business has been bought or sold in an arm's length transaction. In its absence, estimates of value are made using methodologies that infer value from other available evidence.

In order to calculate the fair market value of shares in LatAm, we have considered the following generally accepted valuation methodologies.

6.2 Asset Based Methods

Asset based methods estimate the market value of a company's shares based on the realisable value of its identifiable net assets. Asset based methods include:

- Net tangible assets;
- Orderly realisation of assets; and
- Liquidation of assets.

The **net assets method** is based on the value of the assets of the business less certain liabilities, at book values, adjusted to market value.

The **orderly realisation of assets method** estimates fair market value by determining the amount that would be distributed to shareholders assuming the Company is wound up in an orderly manner realising a reasonable market value for assets.

The **liquidation method** is similar to the orderly realisation of assets method except for the fact that the liquidation method assumes the assets are sold in a shorter period, under a "distressed seller" scenario.

These approaches ignore the possibility that a company's value could exceed the realisable value of its assets. Asset based methods are appropriate when companies are not profitable, not actively trading or a significant proportion of a company's assets are liquid.

6.3 Market Based Methods

Market based methods estimate a company's fair market value by considering the market price of transactions in its shares or the market value and valuation metrics of comparable companies. Market based methods include:

- Capitalisation of maintainable earnings;
- Analysis of a company's recent share trading history; and
- Industry specific methods.

The **capitalisation of maintainable earnings method** estimates fair market value by multiplying the Company's future maintainable earnings by an appropriate capitalisation multiple. An appropriate earnings multiple is derived from price earnings multiples and market transactions involving comparable companies. The capitalisation of maintainable earnings method is appropriate where the Company's earnings are relatively stable and comparable companies have similar cost structures and growth profiles.

The **most recent share trading history** provides strong evidence of the fair market value of the shares in a company where they are publicly traded in an informed and liquid market.

Industry specific methods estimate market value using industry benchmarks. These methods generally provide less persuasive evidence on market value of a company, as they may not account for company specific factors. Industry specific methods are only used as a cross check to the primary valuation methodology.

6.4 Discounted Cash Flow Method

The discounted cash flow method estimates market value by discounting a company's future cash flows to their present value. This method is appropriate where a projection of future cash flows can be made with a reasonable degree of confidence (ideally for a period of three to five years for a going concern business). The discounted cash flow method is commonly used to value early stage companies or projects with a finite life.

6.5 Selection of Methodologies

In selecting our valuation methodology, we considered:

- That sophisticated forecasts for a sufficient period of time do not exist;
- There is no reasonable basis for the preparation of such forecasts under Regulatory Guide 170 *Prospective Financial Information* ("RG 170");
- Positive historical or forecast earnings do not exist / are not forecast in the short term;
- LatAm provides the market with significant and regular information in relation to its strategy, environment and ongoing operational and financial performance;
- LatAm shares traded on every day that the ASX was open for the twelve months prior to announcement that LatAm was looking to raise capital, being 240 days, and at reasonable volumes;
- LatAm has historically traded at a significant premium to its reported net asset backing;
- High growth, scale able technology businesses trade and transact at observable revenue multiples; and
- The dilutionary impacts of the Proposed Conversion and Proposed Restructure.

Based on the above, there is insufficient information available to adopt either a discounted cash flow or capitalisation of earnings methodology.

On the basis the market is well informed in relation to LatAm's strategy, environment and ongoing operational and financial performance, and that its shares are frequently traded, we have adopted LatAm's recent share trading history as our primary valuation methodology.

As a cross check, we considered enterprise value to revenue multiples implied by our primary valuation in comparison to trading multiples of comparable listed companies and multiples paid to acquire comparable target businesses.

An asset-based methodology does not account for the future growth potential of LatAm and is therefore not an appropriate methodology.

7 Enterprise Value of LatAm

7.1 Approach - Recent Share Trading History

7.1.1 Overview

This methodology relies on the market price of a company's shares reflecting all available information to willing but not anxious buyers and sellers acting at arm's length. The market value of listed shares on the ASX is influenced by many factors, including but not limited to:

- The value of the underlying assets of the company, including intangibles;
- The industry in which the company operates;
- Managerial skills within the company;
- Liquidity of the particular stock, as indicated by share trading volumes;
- Future expectations for the company;
- The prevailing market and economic conditions; and
- Supply and demand for the shares.

A change in these perceptions can significantly affect share value over a relatively short period.

In the case of LatAm, we consider the market is well informed in relation to LatAm's strategy, environment and ongoing operational and financial performance, and that its shares are frequently traded (refer Section 5.9).

7.1.2 Conclusion on Recent Share Trading History

As detailed in Section 5.9, LatAm's shares traded at a VWAP of approximately:

- AUD 0.046 in the one month prior to the valuation date, on 8 August 2019; and
- AUD 0.047 in the one week prior to the valuation date, on 8 August 2019.

The periods above reflect the most recent week and month of trading in LatAm shares post the trading halt, prior to the Proposed Conversion and Proposed Restructure, however after the Equity Raising and was a period that exhibited reasonable liquidity in trading (against the free float balance of shares outstanding).

Based on the above, we adopted a share price pre-implementation of the Proposed Conversion and Proposed Restructure, after the Equity Raising and on a minority basis of AUD 0.046 to AUD 0.047.

Summarised below is the VWAP of LatAm shares:

LatAm Recent Share Trading Activity as at 8 August 2019					
Lookback period	Share Price AUD			Volume Traded	
	Low	High	VWAP	Total	%
1 day	0.046	0.050	0.047	214,490	0.059%
1 week	0.046	0.053	0.047	883,260	0.241%
1 month	0.042	0.054	0.046	15,092,020	4.118%
2 months	0.042	0.063	0.048	28,076,920	7.661%
3 months	0.042	0.090	0.053	33,474,230	9.134%
6 months	0.042	0.145	0.073	46,120,130	12.585%
9 months	0.042	0.150	0.092	64,280,650	17.540%
12 months	0.042	0.235	0.128	98,815,370	26.964%

7.2 Equity Value

7.2.1 Overview

As a cross check to LatAm's recent share trading history, we considered enterprise value to revenue multiples implied by our primary valuation in comparison to trading multiples of comparable listed companies and multiples paid to acquire comparable target businesses.

In order to calculate implied enterprise value to revenue multiples from the assessed value per LatAm share on a minority interest basis, it was first necessary to:

- Calculate the value per LatAm share on a controlling basis; and
- Calculate the enterprise value of LatAm on a controlling basis.

7.2.2 Control Premium

Equity interests of 100% are typically inherently more valuable than equity interests of less than 100%, reflecting a premium for control or 'control premium', since a 100% shareholder can exert a greater level of control over day-to-day and strategic decision making, including:

- Appointing and removing Directors from the Board;
- Influencing the strategic decision making of a business by voting to enforce resolutions at a Board or shareholder level;
- Preventing other shareholders or shareholding groups from exerting influence by blocking resolutions at a Board or shareholder level; or
- Declaring dividends to access cash flows from their investment when they desire (or preventing other shareholders / shareholder groups from doing likewise).

Control premiums are evident in takeover transactions.

Empirical evidence from a broad range of studies of takeover transactions indicates that typical control premiums range between 20% and 35%¹. Notwithstanding, larger premiums are paid dependent upon

¹ 'Applied Valuation', Masters of Applied Finance, Kaplan Professional/ FINSIA.

the competitive bidding environment and level of synergies which the purchaser(s) may receive from the acquisition.

As the Proposed Conversion and Proposed Restructure does not involve a trade buyer with material synergies, nor a competitive bidding situation, we adopted a control premium of 25%.

7.2.3 Value per LatAm share on a Controlling Basis

Summarised below is the assessed value per LatAm share prior to the Proposed Conversion and Proposed Restructure on a controlling basis:

LatAm		
Value per Share based on Share Trading History - pre Proposed Conversion and Proposed Restructure & Controlling Basis (AUD)		
	Low	High
Value per LatAm share pre Proposed Conversion & Proposed Restructure (minority)	0.046	0.047
Control premium	25%	25%
Value per LatAm share pre Proposed Conversion & Proposed Restructure (controlling)	0.058	0.059

7.2.4 Equity Value on a Controlling Basis

Summarised in the tables below is the equity value of LatAm on a controlling basis post the Equity Raising but before the Proposed Conversion and Proposed Restructure. The analysis is under two scenarios, being no shortfall on the rights issue and shortfall:

LatAm						
Equity Value pre Proposed Conversion & Proposed Restructure - Controlling Basis (AUD)						
Notes	No Shortfall		Shortfall			
	Low	High	Low	High	Low	High
Value per LatAm share pre Proposed Conversion & Proposed Restructure (controlling)	(AUD)	0.058	0.059	0.058	0.059	
Existing holding (ordinary equity)	(#)	419,812,650	419,812,650	419,812,650	419,812,650	
AUD 3.2 million fully committed placement	(#)	58,170,646	58,170,646	58,170,646	58,170,646	
AUD 0.25 million conditional placement	(#)	4,603,592	4,603,592	-	-	
Pro-rata non-remunerable 1:4 rights issue	(#)	119,495,824	119,495,824	50,382,057	50,382,057	
Performance rights	(#)	8,399,998	8,399,998	8,399,998	8,399,998	
Shares outstanding pre Proposed Conversion & Proposed Restructure	(#)	610,482,710	610,482,710	536,765,351	536,765,351	
Equity Value pre Proposed Conversion & Proposed Restructure (controlling)	(AUD)	35,274,018	36,156,824	31,014,590	31,790,795	

LatAm						
Implied Equity Value based on Assessed value per Share - Controlling Basis (AUD)						
Notes	No Shortfall		Shortfall			
	Low	High	Low	High	Low	High
Equity Value pre Proposed Conversion & Proposed Restructure (controlling)	(AUD)	35,274,018	36,156,824	31,014,590	31,790,795	
Adjustments to Equity Value:						
<i>Valuation of existing options and convertibles notes pre Proposed Conversion & Proposed Restructure:</i>						
Existing unlisted options @ AUD 0.17	1 (AUD)	66	93	66	93	
Existing convertible notes @ AUD 0.16	2 (AUD)	140	195	140	195	
<i>Valuation of options issued under the Equity Raising:</i>						
One free option for every two shares issued under the placement	3 (AUD)	50,371	57,526	50,371	57,526	
One free option for every two shares issued under the rights issue	4 (AUD)	95,886	109,506	40,428	46,170	
Present Value of Convertible note liability plus accrued interest as at 31-Jul-21	5	7,755,072	7,755,072	7,755,072	7,755,072	
Total Equity Value - pre Proposed Conversion & Proposed Restructure (controlling)	(AUD)	43,175,554	44,079,216	38,860,667	39,649,851	
Value per LatAm share pre Proposed Conversion & Proposed Restructure (controlling)	(AUD)	0.071	0.072	0.072	0.074	

Notes 1 to 4 – Option Component:

We applied the black scholes option valuation model to value the existing options, options issued under the equity raising and the option that noteholders will have to convert the notes into LatAm shares, adopting the following variables:

- A range of underlying share prices, being:

- **AUD 0.058 per share:** our assessed low-end value of LatAm shares pre-Proposed Conversion and Proposed Restructure on a controlling basis; and
 - **AUD 0.059 per share:** our assessed high-end value of LatAm shares pre-Proposed Conversion and Proposed Restructure on a controlling basis;
- Exercise price being the conversion price of each of the different options stated per the terms;
 - Risk free rate of 1.00%, being the two-year Government bond rate as at the date of this Report. The life of the options range from one to two years, as no one year Government bond exist, we adopted the two-year Government bond rate for all options; and
 - Expected life of the options per the terms;
 - Expected volatility of 30% based on an analysis of historical share price volatility of the basket of companies comparable considered in Appendix 4;
 - A dividend yield of 0%, since LatAm is not generating positive cash flows to enable dividends to be paid.

Based on the exercise prices set out below the options are effectively out of the money as at the date of this report². An out of money option has no intrinsic value but possesses extrinsic or time value. The black scholes option valuation model determines the time value.

The valuation of the options is summarised in the table below:

LatAm Valuation of Options and Convertible Notes on a Controlling Basis											
		Existing unlisted options @ 0.17		Existing Convertible Notes @ 0.16		Options issued under the placement @ AUD 0.10		Options issued under the rights issue @ AUD 0.10 No Shortfall		Options issued under the rights issue @ AUD 0.10 Shortfall	
		Low	High	Low	High	Low	High	Low	High	Low	High
Current Stock Price	(AUD)	0.058	0.059	0.058	0.059	0.058	0.059	0.058	0.059	0.058	0.059
Exercise Price	(AUD)	0.17	0.17	0.16	0.16	0.10	0.10	0.10	0.10	0.10	0.10
Risk-Free Interest Rate		1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Expected Life of Option		1	1	1	1	2	2	2	2	2	2
Volatility		30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Call Option Value	(AUD)	0.0000	0.0000	0.0000	0.0000	0.0016	0.0018	0.0016	0.0018	0.0016	0.0018
Number of shares	(#)	49,900,084	49,900,084	49,168,791	49,168,791	31,387,119	31,387,119	59,747,912	59,747,912	25,191,029	25,191,029
Value of options to convert	(AUD)	66	93	140	195	50,371	57,526	95,886	109,506	40,428	46,170

For the avoidance of doubt the above does not include the new options available under the Proposed Conversion and Proposed Restructure.

Note 5 – Convertible Note Liability: represents the principal amount of the convertible note plus accrued interest as at the redemption date 31 July 2021 being AUD 9.05 million discounted back to present value. The convertible note interest rate of 8% was adopted as the discount rate.

² Out of the money – for a call option is when the exercise price of the option is greater than the value of the underlying asset. As it would cost more to acquire the underlying asset via paying the exercise price than it would to acquire the underlying asset directly in the market, a rationale investor ordinarily does not exercise such an option.

7.3 Cross Checks

7.3.1 Enterprise Value on a Controlling Basis

Summarised below is the enterprise value of LatAm prior to the Proposed Conversion and Proposed Restructure on a controlling basis:

LatAm Implied Enterprise Value based on Assessed value per Share - Controlling Basis (AUD)					
Notes	No Shortfall		Shortfall		
	Low	High	Low	High	
Total Equity Value (controlling)	(AUD)	43,175,554	44,079,216	38,860,667	39,649,851
<i>Add/(deduct):</i>					
Cash (LTMs as at 31 July 2019)	(AUD)	(6,930,000)	(6,930,000)	(6,930,000)	(6,930,000)
Enterprise value pre Proposed Conversion & Proposed Restructure (controlling)	(AUD)	36,391,811	37,316,249	32,076,924	32,886,883

7.3.2 Implied Revenue Multiples

Summarised below are the revenue multiples implied by our primary valuation of LatAm on a controlling basis under both scenarios:

LatAm Implied Revenue Multiple Cross Checks (AUD)					
	No Shortfall		Shortfall		
	Low	High	Low	High	
	CY16	CY16	CY17	CY18	
Enterprise value pre Proposed Conversion & Proposed Restructure (controlling)	36,391,811	37,316,249	32,076,924	32,886,883	
Operating revenue - 30 June 2019	7,600,000	7,600,000	7,600,000	7,600,000	
Implied revenue multiples (controlling)	4.8x	4.9x	4.2x	4.3x	

7.3.3 Comparable Multiples

Refer Appendix 4 and Appendix 5 for detailed research in relation to trading multiples of comparable listed businesses and multiples paid to acquire comparable target businesses.

In summary:

- **ASX listed online classifieds businesses:** with an average enterprise value of around AUD 4.5 billion, which are on a minority interest basis, had:
 - **Historical revenue multiples:** ranged from 4.1 times to 19.2 times, and averaged 10.4 times;
 - **Current revenue multiples:** ranged from 3.2 times to 14.9 times, and averaged 7.4 times; and
 - **Forecast revenue multiples:** ranged from 3.4 times to 14.4 times and averaged 7.5 times.

If the equity values of the listed companies were restated to include a control premium of 25%, the average revenue multiples would have been 13.0 times, 9.25 times and 9.4 times respectively.

- **Globally listed online car classifieds businesses:** with an average enterprise value of around AUD 8.4 billion, which are on a minority interest basis, had:
 - **Historical revenue multiples:** ranged from 2.7 times to 16.4 times, and averaged 7.9 times;
 - **Current revenue multiples:** ranged from 2.5 times to 15.2 times, and averaged 6.8 times; and
 - **Forecast revenue multiples:** ranged from 2.2 times to 14.4 times and averaged 5.9 times.

If the equity values of the listed companies were restated to include a control premium of 25%, the average revenue multiples would have been 9.8 times, 8.5 times and 7.4 times respectively.

- **Comparable transactions:** with an average enterprise value of around AUD 944 million, which are on a controlling basis, had revenue multiples that ranged from 0.9 times to 10.5 times, and averaged 4.6 times.

7.3.4 Conclusion on Implied Revenue Multiple Cross Checks

In our opinion, the range of observed revenue multiples provide support for the revenue multiples implied by our primary valuation of LatAm.

8 Valuation of LatAm and Evaluation of the Proposed Conversion and Proposed Restructure

8.1 Valuation Summary

Based on the intended timing of the Proposed Conversion and Proposed Restructure, we adopted a valuation date of 8 August 2019 for the purpose of this Report.

Based on LatAm's recent share trading history, and implied enterprise value to revenue multiple cross check, we assessed the value of LatAm shares, on a non-converted and converted basis³, under both scenarios, to be:

		LatAm Fairness Assessment - Controlling Basis (AUD)			
		No Shortfall		Shortfall	
		Low	High	Low	High
Non-Convert - undiluted					
Value per LatAm share pre Proposed Conversion & Proposed Restructure - controlling	Section 7.4.2	0.058	0.059	0.058	0.059
Value per LatAm share post Proposed Conversion & Proposed Restructure - minority	Section 8.4.1	0.035	0.037	0.034	0.035
Value differential		(0.022)	(0.023)	(0.024)	(0.024)
Convert - fully diluted					
Value per LatAm share pre Proposed Conversion & Proposed Restructure - controlling	Section 7.4.2	0.058	0.059	0.058	0.059
Value per LatAm share post Proposed Conversion & Proposed Restructure - minority	Section 8.4.2	0.056	0.057	0.056	0.057
Value differential		(0.002)	(0.002)	(0.002)	(0.002)

8.2 Approach

In evaluating whether the Proposed Conversion and Proposed Restructure is fair for the non-associated shareholders of LatAm, we compared:

- The value of the shares in LatAm prior to the Proposed Conversion and Proposed Restructure, on a controlling basis; and
- The value of the shares in LatAm post the Proposed Conversion and Proposed Restructure, on a minority interest basis.

Under Regulatory Guide 111 an offer is deemed to be "reasonable" if it is fair, however, an offer might also be reasonable if, despite being "not fair", the expert believes that there are sufficient reasons for non-associated shareholders to accept the offer in the absence of a superior alternative.

In assessing if the Proposed Conversion and Proposed Restructure is reasonable we have first considered whether the Proposed Conversion and Proposed Restructure is fair. Additionally, we have compared the potential advantages and disadvantages of the Proposed Conversion and Proposed Restructure to the non-associated shareholders of LatAm and have determined whether the advantages outweigh the disadvantages.

³ Refer to Section 8.4 for explanation of Converted and Non-Converted basis

8.3 Prior to the Proposed Conversion and Proposed Restructure on a Controlling Basis

In accordance with Section 7.2.3, we assessed the value per LatAm share pre the Proposed Conversion and Proposed Restructure (after the Equity Raising), and on a controlling basis to be as follows:

LatAm		
Value per Share based on Share Trading History - pre Proposed Conversion and Proposed Restructure & Controlling Basis (AUD)		
	Low	High
Value per LatAm share pre Proposed Conversion & Proposed Restructure (minority)	0.046	0.047
Control premium	25%	25%
Value per LatAm share pre Proposed Conversion & Proposed Restructure (controlling)	0.058	0.059

8.4 Post Proposed Conversion and Proposed Restructure on a Minority Basis

The value of LatAm shares post the Proposed Conversion and Proposed Restructure requires consideration of the incremental impacts associated with the convertible notes and options, being either that they are:

- **Not converted:** assumes the remaining Convertible Notes post the Proposed Conversion and Proposed Restructure are not converted to equity and is fully repayable including interest. It also assumes all options existing and newly issued are not exercised; and
- **Converted:** assumes the remaining Convertible Notes post the Proposed Conversion is converted to equity plus interest. Over the life of the convertible notes, if all interest was capitalised, 53,728,627 incremental LatAm shares would be issued on conversion at the maturity date. It also assumes all options existing and newly issued are exercised. Resulting in an additional 196,937,788 shares on issue in relation to the options on offer under the no shortfall scenario and 162,380,905 shares on issue under the shortfall scenario.

Whilst the Convertible Notes would not convert into LatAm shares prior to the maturity date of 31 July 2021 unless a Trigger Event occurs, or LatAm uses its discretion to redeem the notes earlier, the above commentary and calculations below address the full range of potential outcomes.

The value of LatAm shares post the Proposed Conversion and Proposed Restructure also requires consideration of the Equity Raising in relation to the take up of shortfall stock from the rights issue. LatAm and their brokers are currently in discussions with a number of parties regarding the shortfall, however, it is currently unknown how much stock will be placed. Based on this uncertainty we have included two scenarios in our analysis, as follows:

- **No Shortfall:** it is assumed 119,495,824 shares will be placed as a result of the Rights Issue; Assumes the Conditional Placement of AUD 0.25 million at AUD 0.055 per share is approved by the shareholders; and
- **Shortfall:** it is assumed a shortfall will exist of 69,113,767 shares based on the current shares placed of 50,382,057 as at the time of this report. Assumes the Conditional Placement of AUD 0.25 million at AUD 0.055 per share is not approved by the shareholders.

8.4.1 Post Proposed Conversion and Proposed Restructure on a Non-Convert & Minority Basis (undiluted)

The value of LatAm shares post the Proposed Conversion and Proposed Restructure under the non-convert and minority basis assumes the following:

- \$3.2 million of the existing convertible note balance is redeemed by subscription to equity at \$0.055 per LatAm share resulting in the issuance of 58,076,720 shares; and

- All existing options and attaching options under the equity raising and early conversion of the convertible note are not exercised. We adopted the black scholes option model to determine the time value of all the options, see below.

Summarised below is the assessed value per LatAm share post Proposed Conversion and Proposed Restructure on a non-convert and minority basis:

LatAm Value per Share - Post Proposed Conversion and Proposed Restructure on a Non-Convert & Minority Basis (AUD)					
	Notes	No Shortfall		Shortfall	
		Low	High	Low	High
Value per LatAm share pre Proposed Conversion & Proposed Restructure (minority)	(AUD)	0.046	0.047	0.046	0.047
Shares outstanding pre Proposed Conversion & Proposed Restructure	(#)	610,482,710	610,482,710	536,765,351	536,765,351
Equity Value pre Proposed Conversion & Proposed Restructure (minority)	(AUD)	28,219,214	28,925,460	24,811,672	25,432,636
<u>Adjustments to Equity under a non-convert & minority basis</u>					
Existing unlisted options @ AUD 0.17	1 (AUD)	2	3	2	3
One free option for every two shares issued under the placement @ AUD 0.10	2 (AUD)	13,504	15,792	13,504	15,792
One free option for every two shares issued under the rights issue @ AUD 0.10	3 (AUD)	25,706	30,061	10,838	12,674
Remaining convertible notes @ AUD 0.10	4 (AUD)	24,987	29,220	24,987	29,220
One free option for every two shares issued under the Proposed Conversion @ AUD 0.10	5 (AUD)	12,494	14,610	12,494	14,610
Present Value of Convertible Note Liability post Proposed Conversion & Proposed Restructure	6 (AUD)	(4,606,364)	(4,606,364)	(4,606,364)	(4,606,364)
Equity Value Post Proposed Conversion & Proposed Restructure (non-convert & minority)	(AUD)	23,689,545	24,408,782	20,267,134	20,898,572
Shares outstanding pre Proposed Conversion & Proposed Restructure		610,482,710	610,482,710	536,765,351	536,765,351
Convertible notes redeemed - \$3.2m		58,076,720	58,076,720	58,076,720	58,076,720
Shares outstanding post Proposed Conversion & Proposed Restructure (non-convert & minority)	(#)	668,559,430	668,559,430	594,842,071	594,842,071
Value per share - post Proposed Conversion & Proposed Restructure (non-convert & minority)	(AUD)	0.035	0.037	0.034	0.035

Notes 1 to 5 – Option Component:

We applied the black scholes option valuation model to value the existing options, options issued under the equity raising and the option that noteholders will have to convert the notes into LatAm shares, adopting the following variables:

- a range of underlying share prices, being:
 - **AUD 0.046 per share:** our assessed low-end value of LatAm shares pre-Proposed Conversion & Proposed Restructure on a minority basis; and
 - **AUD 0.047 per share:** our assessed high-end value of LatAm shares pre-Proposed Conversion & Proposed Restructure on a minority basis;
- exercise price being the conversion price of each of the different options stated per the terms;
- risk free rate of 1.00%, being the two-year Government bond rate as at the date of this Report; and
- expected life of the options per the terms;
- expected volatility of 30% based on an analysis of historical share price volatility of the basket of companies comparable considered in Appendix 4;
- a dividend yield of 0%, since LatAm is not generating positive cash flows to enable dividends to be paid.

The valuation of the options is summarised in the table below:

LatAm Valuation of Options and Convertible Note on a Minority Basis												
	Existing unlisted options @ 0.17		Options issued under the placement @ AUD 0.10		Options issued under the rights issue @ AUD 0.10 No Shortfall		Options issued under the rights issue @ AUD 0.10 Shortfall		Remaining Convertible Notes @ 0.10		Convertible Notes attaching options @ AUD 0.10	
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
Current Stock Price (AUD)	0.046	0.047	0.046	0.047	0.046	0.047	0.046	0.047	0.046	0.047	0.046	0.047
Exercise Price (AUD)	0.17	0.17	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Risk-Free Interest Rate	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Expected Life of Option	1	1	2	2	2	2	2	2	2	2	2	2
Volatility	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Call Option Value (AUD)	0.0000	0.0000	0.0004	0.0005	0.0004	0.0005	0.0004	0.0005	0.0004	0.0005	0.0004	0.0005
Number of shares (#)	49,900,084	49,900,084	31,387,119	31,387,119	59,747,912	59,747,912	25,191,029	25,191,029	58,076,720	58,076,720	29,038,360	29,038,360
Value of options to convert (AUD)	2	3	13,504	15,792	25,706	30,061	10,838	12,674	24,987	29,220	12,494	14,610

Notes 6 – Convertible Note Liability: represents the balance amount of the convertible note plus accrued interest as at the redemption date 31 July 2021 being AUD 5.37 million discounted back to present value. The convertible note interest rate of 8% was adopted as the discount rate.

8.4.2 Post Proposed Conversion and Proposed Restructure on a Convert & Minority Basis (fully diluted)

The value of LatAm shares post the Proposed Conversion and Proposed Restructure under the convert and minority basis assumes the following:

- The options issued under the Proposed Conversion are fully exercised resulting in the issuance of 29,038,360 shares;
- \$5.37 million of the remaining convertible note balance including accrued interest is redeemed by subscription to equity at \$0.10 per LatAm share and the options issued on the remaining Convertible Notes are fully exercised resulting in the issuance of 53,728,627 and 26,864,313 shares respectively; and
- All existing options and attaching options under the equity raising are fully exercised, resulting in the issuance of 141,035,115 shares under the no shortfall scenario and 106,478,231 shares under the shortfall scenario.

Summarised below is the assessed value per LatAm share post Proposed Conversion and Proposed Restructure on a convert and minority basis:

LatAm					
Value per Share post Proposed Conversion and Proposed Restructure on a Convert & Minority Basis (AUD)					
	Notes	No Shortfall		Shortfall	
		Low	High	Low	High
Value per LatAm share pre Proposed Conversion & Proposed Restructure (minority)	(AUD)	0.046	0.047	0.046	0.047
Shares outstanding post Proposed Conversion & Proposed Restructure (non-convert & minority)	(#)	668,559,430	668,559,430	594,842,071	594,842,071
Equity Value post Proposed Conversion & Proposed Restructure	(AUD)	30,903,778	31,677,210	27,496,235	28,184,386
<u>Options issued under the Proposed Conversion</u>					
One free option for every two shares issued under the Proposed Conversion @ AUD 0.10	(#)	29,038,360	29,038,360	29,038,360	29,038,360
<u>Shares & Options issued under the Proposed Restructure</u>					
Remaining Convertible notes redeemed	(#)	53,728,627	53,728,627	53,728,627	53,728,627
Options issued on conversion of notes under the Proposed Restructure @ AUD 0.10	(#)	26,864,313	26,864,313	26,864,313	26,864,313
<u>All existing Options are exercised</u>					
Existing unlisted options @ AUD 0.17	(#)	49,900,084	49,900,084	49,900,084	49,900,084
One free option for every two shares issued under the placement (Equity Raising) @ AUD 0.10	(#)	31,387,119	31,387,119	29,085,323	29,085,323
One free option for every two shares issued under the rights issue (Equity Raising) @ AUD 0.10	(#)	59,747,912	59,747,912	25,191,029	25,191,029
Complete Pro-forma Capital Structure	(#)	919,225,845	919,225,845	808,649,806	808,649,806
Equity Value Post Proposed Conversion & Proposed Restructure (convert & minority)	(AUD)	30,903,778	31,677,210	27,496,235	28,184,386
Net Present Value of cash proceeds from Options exercised	1	20,416,924	20,634,891	17,612,210	17,778,950
Total Equity Value Post Proposed Conversion & Proposed Restructure (convert & minority)		51,320,702	52,312,100	45,108,445	45,963,336
Value per share - post Proposed Conversion & Proposed Restructure (convert & minority)	(AUD)	0.056	0.057	0.056	0.057

Notes 1 – Net Present Value of cash proceeds from Options exercised: Summarised in the table below is the present value of the cash proceeds of all Options:

LatAm													
Present Value of Cash Proceeds when Options are Exercised (AUD)													
		Existing unlisted options @ AUD 0.17		Options issued under the placement @ AUD 0.10		Options issued under the rights issue @ AUD 0.10		Options issued under the rights issue @ AUD 0.10		Convertible Notes attaching options under Conversion @ AUD 0.10		Convertible Notes attaching options under Restructure @ AUD 0.10	
		Low	High	Low	High	No Shortfall Low	High	Shortfall Low	High	Low	High	Low	High
Expected Life of Option		1	1	2	2	2	2	2	2	2	2	2	2
Exercise Price	(AUD)	0.17	0.17	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Number of shares	(#)	49,900,084	49,900,084	31,387,119	31,387,119	59,747,912	59,747,912	25,191,029	25,191,029	29,038,360	29,038,360	26,864,313	26,864,313
Cash proceeds	(AUD)	8,483,014	8,483,014	3,138,712	3,138,712	5,974,791	5,974,791	2,519,103	2,519,103	2,903,836	2,903,836	2,686,431	2,686,431
Discount rate		11%	10%	11%	10%	11%	10%	11%	10%	11%	10%	11%	10%
Present Value of cash proceeds of Options	(AUD)	8,483,014	8,483,014	2,547,449	2,593,977	4,849,275	4,937,844	2,044,560	2,081,903	2,356,818	2,399,864	2,180,368	2,220,191

Existing unlisted options are due to expiry in December 2019, therefore, we have not present valued the cash proceeds back to present day.

We adopted the Cost of Equity of LatAm, of 10% -11%, as the discount rate to present value the cash proceeds. Refer to Appendix 6 for the Cost of Equity calculation.

The total net present value of the cash proceeds under the two scenarios is summarised in the table below:

LatAm					
Net Present Value of Cash Proceeds when Options are Exercised (AUD)					
		No Shortfall		Shortfall	
		Low	High	Low	High
Net Present Value of cash proceeds of Options	(AUD)	20,416,924	20,634,891	17,612,210	17,778,950

8.5 The Proposed Conversion and Proposed Restructure is Not Fair but Reasonable

In our opinion, the Proposed Conversion and Proposed Restructure (on a combined basis as described in **Section 1.4**) is not fair but reasonable for the non-associated shareholders of LatAm.

Our fairness and reasonableness assessment for the Proposed Conversion and Proposed Restructure is set out below.

8.6 The Proposed Conversion and Proposed Restructure is Not Fair

8.6.1 Valuation of LatAm Shares pre and post the Proposed Conversion and Proposed Restructure

Summarised below is a comparison of the assessed value of a LatAm share before the Proposed Conversion and Proposed Restructure on a controlling basis and after the Proposed Conversion and Proposed Restructure on a minority basis under two dilutionary scenarios:

LatAm Fairness Assessment - Controlling Basis (AUD)					
		No Shortfall		Shortfall	
		Low	High	Low	High
Non-Convert - undiluted					
Value per LatAm share pre Proposed Conversion & Proposed Restructure - controlling	Section 7.4.2	0.058	0.059	0.058	0.059
Value per LatAm share post Proposed Conversion & Proposed Restructure - minority	Section 8.4.1	0.035	0.037	0.034	0.035
Value differential		(0.022)	(0.023)	(0.024)	(0.024)
Convert - fully diluted					
Value per LatAm share pre Proposed Conversion & Proposed Restructure - controlling	Section 7.4.2	0.058	0.059	0.058	0.059
Value per LatAm share post Proposed Conversion & Proposed Restructure - minority	Section 8.4.2	0.056	0.057	0.056	0.057
Value differential		(0.002)	(0.002)	(0.002)	(0.002)

The fact that the value of a LatAm share after the Proposed Conversion and Proposed Restructure, is less than the value of a LatAm share prior (under both scenarios), indicates the Proposed Conversion and Proposed Restructure is not fair for LatAm's non-associated shareholders.

In relation to the assessed value of LatAm shares, we note:

- We are required to look at the Proposed Conversion and Proposed Restructure as a control transaction in forming our opinion.
- The value attributed to LatAm shares does not reflect our opinion of the potential future share price of LatAm, rather, it reflects the valuation concepts required for the purpose of this Report as at the Valuation Date.
- If valued on a basis consistent with the metrics of certain comparable transactions and certain prior offers for LatAm, the assessed value per LatAm share would have been higher, in some instances materially.

8.6.2 Conclusion on Fairness

Since the value of a LatAm share after the Proposed Conversion and Proposed Restructure is less than the value of a LatAm share prior (under both scenarios), in our opinion, the Proposed Conversion and Proposed Restructure is not fair for LatAm's non-associated shareholders.

8.7 The Proposed Conversion and Proposed Restructure is Reasonable

Notwithstanding that the Proposed Conversion and Proposed Restructure is not fair, in our opinion, the advantages outweigh the disadvantages of the Proposed Conversion and Proposed Restructure, and accordingly, the Proposed Conversion and Proposed Restructure is reasonable.

8.7.1 Advantages to LatAm shareholders from the Proposed Conversion and Proposed Restructure

The primary advantages to the shareholders of LatAm in proceeding with the Proposed Conversion and Proposed Restructure are as follows:

a) *The Proposed Conversion results in a decrease in the liability payable by LatAm to Convertible Note holders, including ongoing obligations in relation thereto*

The Proposed Conversion involves the redemption by subscription to equity of approximately AUD 3.2 million of the outstanding Convertible Note value, thereby resulting in a significant reduction in the current AUD 7.87 million liability payable by LatAm to Convertible Note holders as at the redemption date 31 October 2019. Given LatAm's historical and current financial performance, the ability to fund the liability in April 2020 is doubtful and could result in associated cash flow difficulties and/or increased debt levels.

b) *The Proposed Conversion and Proposed Restructure frees up cash for use in business operations*

The Proposed Conversion and Proposed Restructure reduces the near term (April 2020) financial burden associated with the Convertible Note liability, and results in a reduction in the number of remaining Convertible Note holders and future capitalised interest obligations.

Consequently, this enables LatAm to direct funds for use in business operational activities and the employment of its growth strategy. It is possible that LatAm's share price will increase if LatAm improves its financial performance and executes on its growth strategy.

c) *The Proposed Restructure enables remaining (related) Convertible Note holders to participate in the future growth and performance of LatAm, on better terms*

The Proposed Restructure involves the extension of the maturity date to July 2021 and a reduced conversion price (from AUD 0.16 to AUD 0.10 per share). In addition, every two shares issued on conversion of the Convertible Notes will entitle the holders to one attaching option on the same terms as the Placement Attaching Option Offer to both related and non-related parties.

Consequently, remaining (related) Convertible Note holders will accrue interest on their Convertible Note holding (at 8% per annum), and also have the ability to participate in the future growth and performance of LatAm via both the component to be converted into equity and the component retained as convertible notes (with a more favourable (lower) conversion price). The Proposed Conversion and Proposed Restructure will enable LatAm to employ its growth strategy. It is possible that LatAm's share price will increase if LatAm executes on its growth strategy.

d) *The Proposed Conversion and Proposed Restructure also includes the granting of Options, on the same terms as the Placement Attaching Option Offer*

Redeeming Convertible Notes will entitle the holders to one attaching option for every two shares issued. Additionally, in regard to the remaining (related) Convertible Note holders, every two shares issued on conversion of the Convertible Notes will entitle the holders to one attaching option. The options will be exercisable at AUD 0.10 per LatAm share and have an expiry date of 13 August 2021.

Accordingly, the options provide a further mechanism for existing Convertible Note holders to participate in the future growth of LatAm.

e) *The ability of LatAm to fund the redemption of the Convertible Notes as at the current maturity date (of April 2020) is uncertain*

If the Proposed Conversion and Proposed Restructure of the Convertible Notes does not proceed, LatAm may need to redeem the Convertible Notes on their current maturity date of 30 April 2020, which would require capital expenditure by LatAm. LatAm may need to seek other funding opportunities in order to provide it with the funds necessary for the operations of LatAm. There can be no guarantee that other funding will be available on acceptable terms, or at all. At the time of this report, there were no probable alternatives known to the Directors.

f) *The Proposed Conversion enables the unrelated noteholders the ability to redeem their convertible notes by subscribing to equity*

The Proposed Conversion involves the redemption by subscription to equity of approximately AUD 3.2 million of the outstanding Convertible Note value on terms consistent with the Rights Issue (i.e. 1:4 at AUD 0.055 per share). Consequently, the unrelated noteholders have the ability to redeem their convertible notes now (ahead of the maturity date of April 2020) and receive equity. In addition, redemption will also include the granting of one option for every two shares issued.

We note that there are four parties who are existing holders of the Convertible Notes. Two of these parties are related and two of the parties are unrelated (refer Section 1.2). Upon the completion of the Proposed Conversion, the unrelated parties will no longer hold any Convertible Notes.

g) *No superior alternatives exist*

The Directors have explored a number of other strategic alternatives, which either did not progress, or it was determined were not in the best interests of LatAm's shareholders. At the date of this Report, the Directors were not aware of any superior alternatives to the Proposed Conversion and Proposed Restructure.

h) *Participation of Non-Executive Directors of LatAm in the Proposed Conversion and Proposed Restructure*

The fact that Mr Fitzpatrick (of Log Creek) and Mr Clausen (of Startive) are participating in the Proposed Conversion and Proposed Restructure demonstrates their support of LatAm, and commitment to the growth strategy of the Company. Log Creek has entered into a Commitment Deed with LatAm to redeem a portion of their outstanding value, being AUD 2 million (of its AUD 6.07 million as at the redemption date of 31 October 2021), of the Convertible Notes it holds, including accrued interest. The Proposed Conversion includes attaching Options on a 1:2 basis.

Mr Fitzpatrick of Log Creek and Mr Clausen of Startive will not be able to cast a vote in relation to the Proposed Conversion and Proposed Restructure of the Convertible Notes.

i) *The Independent Directors of LatAm, including Directors who hold shares but are not party to the Convertible Notes, intend to vote in favour of the Proposed Conversion and Proposed Restructure*

The Independent Directors of LatAm have advised they unanimously recommend the Proposed Conversion and Proposed Restructure on the basis they consider it a positive outcome for LatAm.

j) *The Proposed Conversion and Proposed Restructure delays the liabilities associated with the Convertible Note*

The liability associated with the remaining Convertible Note holders and future capitalised interest obligations is delayed with an extended maturity date (under the Proposed Restructure) to July 2021.

8.7.2 **Disadvantages to LatAm shareholders from the Proposed Conversion and Proposed Restructure**

The primary disadvantages to the shareholders of LatAm in proceeding with the Proposed Conversion and Proposed Restructure are as follows:

a) *The Proposed Conversion and Proposed Restructure is dilutive to LatAm's current shareholders*

The Proposed Conversion involves the subscription to equity of approximately AUD 3.2 million of the outstanding Convertible Note value, at AUD 0.055 per share and with one attaching option for every two shares issued. Accordingly, 58,076,720 ordinary shares will be issued to redeeming note-holders upon redemption, and further additional ordinary shares may be issued, dependent upon future exercise of the options.

Further, the remaining Convertible Notes will be restructured to extend the maturity date to 31 July 2021 and reduce the conversion price to AUD 0.10 per share (to the benefit of the Convertible Noteholders and relative dilution of shareholders). Additionally, every two shares issued on conversion of the Convertible Notes will entitle the holders to one attaching option. Accordingly, ordinary shares will be issued to redeeming note-holders (value equal to the face value, plus capitalised interest over the life of the Convertible Notes), their conversion mechanism will be more favourable and further additional ordinary shares may be issued, dependent upon future exercise of the options.

Presuming the conversion price remains less than the market price of LatAm shares, any conversion of the notes and exercise of the options would be dilutive to LatAm's existing shareholders and reduce the free float portion of LatAm's total equity.

b) *Whilst Mr Fitzpatrick (of Log Creek) will not obtain control of LatAm, an effective interest of 20% or more would provide a significant influence in voting power*

Should Mr Fitzpatrick obtain an effective interest of 20% or more as a result of the Proposed Conversion and Proposed Restructure, he would obtain significant influence in voting power. Notwithstanding, it is possible that Mr Fitzpatrick effective shareholding will not exceed 20%. Log Creek's maximum potential effective shareholding would be 22.5% on an undiluted, no shortfall basis and 25.0% on an undilute, shortfall basis if the following occurred:

- No other investors exercise the right to the existing unlisted options at AUD 0.17;
- No other investors exercise the right to the new listed options at AUD 0.10;
- No other noteholder converts the Convertible Notes to equity at the revised maturity date.

Startive's maximum potential effective shareholdings will not exceed 20% under the Proposed Conversion and Proposed Restructure of the Convertible Notes.

Accordingly, depending upon the exercise of options and conversion of Convertible Notes by other investors, and potential associated conversion of capitalised interest, Mr Fitzpatrick may obtain a total effective interest of less than 20%.

c) *Uncertainty as to whether LatAm can execute on its growth strategy and improve its financial performance*

Whilst the Proposed Conversion and Proposed Restructure reserves funding for investment in the business operations and growth strategy, there is commercial and execution risk associated with employing LatAm's growth strategy. Consequently, improved future financial performance is not guaranteed and the ability to achieve forecast levels of intended growth is uncertain.

d) Potential requirement for additional capital in the future

Whilst the Proposed Conversion and Proposed Restructure reduces the financial burden associated with the redemption of the Convertible Notes in April 2020, additional future capital may be required. Any additional funding requirements may increase debt levels, and/or any future equity capital raised may be further dilutionary to shareholders at that time.

e) Potential emergence of a superior alternative

The non-associated shareholders of LatAm may consider that a superior alternative opportunity to the Proposed Conversion and Proposed Restructure will emerge. Notwithstanding, the Directors have explored a number of alternative capital raising and corporate transactions, which either did not progress, or it was determined were not in the best interests of LatAm's shareholders. At the date of this Report, the Directors were not aware of any superior alternatives to the Proposed Conversion and Proposed Restructure. In addition, the available time for viable alternative opportunities to emerge is running short, with capital required by LatAm to redeem the Convertible Notes (inclusive of capitalised interest) in April 2020.

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9 Qualifications, Declarations and Consents

9.1 Qualifications

Crowe Horwath provides corporate finance services in relation to mergers and acquisitions, capital raisings, corporate restructuring and financial matters generally. One of its activities is the preparation of company and business valuations and the provision of independent advice and expert reports concerning mergers and acquisitions, takeovers and capital reconstructions.

The executives responsible for preparing this Report on behalf of Crowe Horwath are Ms Nicole Vignaroli, MAppFin, BBus, BA, F.Fin, Aff.CA., Mr Nathan Timosevski, B.Bus, CA, A.Fin and Mr Ross Patane, BBus, FCA, FAICD, F.FIN. Nathan, Nicole and Ross have significant experience in relevant corporate advisory matters and are Representatives in accordance with the Australian Financial Services Licence No. 239170 held by Crowe Horwath under the Corporations Act 2001 (Cth).

9.2 Disclaimers

It is not intended that this report be used or relied upon for any purpose other than as an expression of Crowe Horwath's opinion as to whether the Proposed Conversion and Proposed Restructure is fair and reasonable to the non-associated shareholders of LatAm. Crowe Horwath expressly disclaims any liability to any person who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose.

This Report has been prepared by Crowe Horwath with care and diligence and statements and opinions given by Crowe Horwath in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading. However, no responsibility is accepted by Crowe Horwath or any of its officers or employees for errors or omissions however arising in the preparation of this report, provided that this shall not absolve Crowe Horwath from liability arising from an opinion expressed recklessly or in bad faith.

9.3 Declarations

Crowe Horwath does not have at the date of this report nor has had any shareholding in or other relationship with LatAm or any of the subscribers to the convertible notes that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Transaction. Crowe Horwath had no part in the formulation of the Proposed Conversion and Proposed Restructure. Crowe Horwath's only role has been the preparation of this Independent Expert's Report. Crowe Horwath considers itself independent in terms of Regulatory Guide 112 issued by ASIC on 30 March 2011.

Crowe Horwath will receive a fee in the vicinity of \$45,000 (plus GST) based on time costs for the preparation of this report. This fee is not contingent on the outcome of the Proposed Conversion and Proposed Restructure. Crowe Horwath will receive no other benefit for the preparation of this report.

LatAm has agreed that to the extent permitted by law that it will indemnify Crowe Horwath employees and officers in respect of any liability suffered or incurred as a result of or arising out of the preparation of this Report. This indemnity will not apply in respect of any conduct involving negligence or wilful misconduct. LatAm has also agreed to indemnify Crowe Horwath and its employees and officers for time spent and reasonable legal costs and expenses incurred in relation to any inquiry or proceeding initiated by any person except where Crowe Horwath or its employees and officers are found liable for or guilty of conduct involving negligence or wilful misconduct in which case Crowe Horwath shall bear such costs.

Advance drafts of this report (and parts of it) were provided to LatAm and its advisers. Certain changes were made to this report as a result of the circulation of the draft report. There was no alteration to the methodology, valuation of LatAm, conclusions or recommendations made to LatAm shareholders as a result of issuing the drafts.

9.4 Consents

Crowe Horwath consents to the issuing of this report in the form and context in which it is to be included in the Proposed Conversion and Proposed Restructure documentation to be sent to LatAm shareholders. Neither the whole nor any part of this report nor any reference thereto may be included in any other document without the prior written consent of Crowe Horwath as to the form and context in which it appears.

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Appendix 1 – Financial Services Guide

Dated of issue: 27 August 2019

General Advice – Independent Expert's Report

This Financial Services Guide is designed to help retail clients make a decision as to their use of the relevant general financial product advice; to ensure that we comply with our obligations as a financial services licensee; and to provide you with information on:

- How we and our associates are paid;
- Any potential conflict of interest we may have; and
- Our internal and external dispute resolution procedures and how you can access them.

Introduction

Crowe Horwath Corporate Finance (Aust) Ltd is the corporate finance arm of Findex Group and was engaged by the Independent Directors to prepare this Report. On 2 April 2019, Crowe Horwath Corporate Finance (Aust) Ltd changed its name to Findex Corporate Finance (Aust) Ltd. For the avoidance of doubt, the legal entity, all ownership, licensing and staffing remained the same. The only change was a change to using two brands – both Crowe Horwath and Findex, as relevant.

Findex Corporate Finance (Aust) Ltd ABN 95 001 508 363 has been engaged to issue general financial product advice in the form of an Independent Expert's Report for inclusion in a disclosure or other document in relation to the issuing of a financial product.

Who is responsible for the financial services provided to me?

Findex Corporate Finance (Aust) Ltd holds an Australian Financial Services Licence No. 239170 and is responsible for the financial services provided by it and its Authorised Representatives, including authorising the distribution of this Financial Services Guide.

General Financial Product Advice

In the Independent Expert's Report, we provide general financial product advice, not personal financial product advice, because the advice has been prepared without taking into account your personal objectives, financial situation or needs.

You should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs.

What kinds of financial services are you authorised to provide to me?

We are authorised to provide advice on, and deal in, the following classes of financial products to wholesale and retail clients:

1. Provide financial product advice for the following classes of financial products:
 - a) Derivatives; and
 - b) Securities.
2. Deal in a financial product by:
 - a) Issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products:
 - i. Derivatives,
 - b) applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products:
 - i. Derivatives; and
 - ii. Securities.

Independent Expert's Reports

We provide financial product advice by issuing an Independent Expert's Report in connection with a financial product of another person or entity. Our Report includes a description of the circumstances of our engagement and identifies the person or entity who has engaged us. You have not engaged us directly but you will be provided with a copy of the Report due to your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in the Report.

Do you have any relationships or associations with financial product issuers?

Findex Corporate Finance (Aust) Ltd and any of its associated entities may at any time provide professional or financial services to financial product issuers in the ordinary course of our business.

How is Findex Corporate Finance (Aust) Ltd paid to produce an Independent Expert's Report?

We will charge a fee in the vicinity of \$45,000 excluding GST for providing this Independent Expert's Report. This fee will be paid by the person or entity which engages us to provide the Report. The fee has not affected the opinion we have expressed in the Report.

Except for this fee, neither Findex Corporate Finance (Aust) Ltd, nor any of its principals, employees or related entities, receives any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Does Findex Corporate Finance (Aust) Ltd get paid for referring clients to invest in the products associated with your Independent Expert's Reports?

We do not pay commissions or provide any other benefits to any person for referring clients to us in connection with the Independent Expert's Report that we are engaged to provide.

We do not receive commissions or any other benefits for referring clients in connection with the underlying financial product and/or financial service that is the subject of the reports we are engaged to provide.

Do I pay for the financial services provided?

You do not pay us a fee for the production of the Independent Expert's Report. It is the responsibility of the person or entity which engaged our services to produce the Report to meet this cost.

Who can I complain to if I have a complaint about the financial services provided?

If you have any complaint about the service provided to you, you should take the following steps:

Contact us and tell us about your complaint.

If your complaint is not satisfactorily resolved within three business days, please contact the Complaints Officer on (03) 9258 6700, or put your complaint in writing and send it to us at:

The Complaints Officer
Findex Corporate Finance (Aust) Ltd
Level 17, 181 William St
MELBOURNE VIC 3001

If you still do not get a satisfactory outcome you can contact the Financial Ombudsman Service (FOS) of which Findex Corporate Finance (Aust) Ltd is a member. FOS can be contacted on 1300 780 808 or you can write to them at GPO Box 3, Melbourne, Victoria 3001.

ASIC has a freecall Infoline on 1300 300 630 which you may also use to make a complaint or obtain information about your rights.

If you have any further questions about the financial services Findex Corporate Finance (Aust) Ltd provides, please contact our office on (03) 9258 6700.

Appendix 2 – Glossary

Defined Term	Meaning
Act	Corporations Act 2001
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Attaching Option Offer	For every two new shares subscribed for under the Equity Raising, investors will be entitled to one free attaching listed new option
AUD	Australian Dollar
CAGR	Compound annual growth rate
CAPM	Capital asset pricing model
Conditional Placement	A further AUD 0.25 million will be placed to certain LatAm directors subject to shareholder approval
cps	Cents per share
Crowe Horwath	Crowe Horwath Corporate Finance (Aust) Ltd
CY	Years ended 31 December
Equity Raising	The equity raising of up to Australian Dollars 10 million consists of: <ul style="list-style-type: none"> ▪ A fully committed placement of AUD 3.2 million; ▪ A conditional placement of AUD 0.25 million; ▪ A pro-rata non-renounceable 1:4 rights issue, to raise up to AUD 6.6 million; and ▪ One free option for every two shares issued under the equity raising
Findex	Findex Corporate Finance (Aust) Ltd
GDP	Gross Domestic Product
IP	Intellection Property
IPO	Initial Public Offering
LatAm	LatAm Autos Limited
Log Creek	Log Creek Pty Ltd
LTIP	Long term incentive plan
MRP	Market risk premium
Notice of Meeting	LatAm's Notice of Meeting regarding the Proposed Transaction

NPV	Net present value
OICA	International Organization of Motor Vehicle Manufacturers
Placement	LatAm has successfully completed a AUD 3.2 million placement of 62,774,238 shares to institutional and sophisticated investors at AUD 0.055 per LatAm share
PM Capital	PM Capital Limited;
Proposed Conversion	LatAm is intending to restructure the Convertible Notes, with the holders of the Convertible Notes agreeing to redeem their convertible notes by subscribing to equity of approximately AUD 3.2 million of the outstanding Convertible Note value, on terms consistent with the Rights Issue, being at AUD 0.055 per Share, and with one attaching option for every two shares issued
Proposed Restructure	The balance of the Convertible Notes will be restructured to extend the maturity date from 30 April 2020 to 31 July 2021 and reduce the conversion price from AUD 0.16 per share to AUD 0.10 per Share. Additionally, every two shares issued on conversion of the Convertible Notes will entitle the holders to one attaching option on the same terms as the Attaching Option Offer to both related and non-related parties
Regulatory Guide 111	Regulatory Guide 111 'Content of Expert Reports'
Regulatory Guide 112	Regulatory Guide 112 'Independence of Experts'
Regulatory Guide 170	Regulatory Guide 170 'Prospective Financial Information'
Report	Independent Expert's Report
Rights issue	LatAm also invited eligible shareholders to participate in a pro-rata non-renounceable 1:4 Rights Issue at AUD 0.055 per share to raise up to AUD 6.6 million
SaaS	Software as a Service
Section 606	Section 606(1) of the Act
Section 611	Section 611(7) of the Act
Sypkes	Sypkes Investments Pty Ltd
SRP	Specific risk premium
Startive	Startive Ventures Inc
Valuation Date	8 August 2019
VWAP	Volume weighted average price

Appendix 3 – Sources of Information

Sources of information utilised and relied upon in the preparation of this Report include:

Proposed Conversion and Proposed Restructure Documentation

- Key Announcement Documentation issued on 14 June 2019 by LatAm which included;
 - Announcement_14.06.19_Prospectus;
 - Announcement_14.06.19_New issue announcement;
 - Announcement_14.06.19_Letter to shareholders;
 - Announcement_14.06.19_Letter to option holders;
 - Announcement_14.06.19_Investor Presentation;
 - Announcement_14.06.19_Equity Raising;
 - Announcement_14.06.19_Cleansing note;
 - Announcement_14.06.19_App 3B_updated new issue announcement; and
 - Announcement_14.06.19_App 3B_new issue announcement.
- Key Announcement Documentation issued on 20 June 2019 by LatAm which included;
 - Announcement_20.06.19_708A Cleansing note.
- Key Announcement_20.06.19_708A Cleansing note
 - Announcement_24.06.19_Rights issue;
- Commitment Deeds from;
 - Log Creek;
 - PM Capital;
 - Startive; and
 - Sypkes.
- 2019 EGM Notice (LAA) DRAFT 02.07.19, provided by Management of LatAm; and
- Project Racer - Capital raising workings 2019 08 07, provided by Grant Samuel, on behalf of the company.

Other Items

- Audited Financial Statements, Financial years 2016-2018;
- Top 20 shareholders summary as at 5 July 2019; and
- Discussions & correspondence with the Management and Directors of LatAm.

Industry & Economic Research

- 'Latam Autos Ltd – advanced vertical. Likely takeover' brokers report, prepared by Roger Colman CCZ Equities Research, 4 February 2019;
- 'Latam Autos(LAA): Rapid progress to breakeven' brokers Report, prepared by Roger Colman CCZ Equities Research, 11 March 2019;
- Equity Research Report, prepared by Foster Stockbroking, 15 February 2018;
- Equity Research Report, prepared by Foster Stockbroking, 25 July 2018
- Online Car Classifieds in Australia Industry Report, IBIS World, December 2018;
- International Organization of Motor Vehicle Manufacturers (OICA) statistics;

- World Bank Group – World Development Indicators Data – Internet Usage % of Population;
- World Bank Group – World Development Indicators Data – GDP Growth Rate; and
- Capital IQ financial research.

Appendix 4 – Comparable Trading Multiples

Summarised below are the trading multiples of globally listed comparable companies:

LatAm																				
Comparable Company Trading Multiples																				
Company Name	Current period end	Country	Mkt Cap	EV	Revenue Multiple (times)				EBITDA Multiple (times)				EBIT Multiple (times)				Normalised PE Multiple (times)			
					1 Year Historical	Current (Hist / Est)	1 Year Estimate	2 Year Estimate	1 Year Historical	Current (Hist / Est)	1 Year Estimate	2 Year Estimate	1 Year Historical	Current (Hist / Est)	1 Year Estimate	2 Year Estimate	1 Year Historical	Current (Hist / Est)	1 Year Estimate	2 Year Estimate
					(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Australian Listed																				
REA Group Limited	30-Jun-19	Australia	12,650	12,901	19.2 x	14.9 x	14.4 x	13.0 x	37.0 x	29.9 x	24.9 x	22.0 x	37.8 x	30.7 x	29.3 x	24.6 x	62.6 x	51.0 x	41.2 x	35.5 x
SEEK Limited	30-Jun-19	Australia	7,440	8,818	8.4 x	6.7 x	5.7 x	5.0 x	26.4 x	23.4 x	19.4 x	17.3 x	27.9 x	24.9 x	24.6 x	21.6 x	25.9 x	165.7 x	44.9 x	39.5 x
carsales.com Ltd	30-Jun-19	Australia	3,306	3,709	10.0 x	8.4 x	8.2 x	7.3 x	21.8 x	18.9 x	17.3 x	15.8 x	22.3 x	19.8 x	19.1 x	17.3 x	33.9 x	20.1 x	28.4 x	25.5 x
Domain Holdings Australia Limited	30-Jun-19	Australia	1,854	1,986	14.3 x	7.0 x	5.7 x	5.2 x	32.5 x	30.2 x	19.7 x	17.3 x	36.9 x	34.8 x	27.7 x	23.0 x	65.6 x	n/m	49.5 x	38.9 x
iCar Asia Limited	31-Dec-19	Malaysia	83	73	6.3 x	4.5 x	3.4 x	2.8 x	n/m	n/m	n/m	45.5 x	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Hotcopper Holdings Limited	30-Jun-19	Australia	19	16	4.1 x	3.2 x	n/a	n/a	16.7 x	9.8 x	n/a	n/a	17.0 x	10.0 x	n/a	n/a	35.7 x	13.5 x	n/a	n/a
Min					4.1 x	3.2 x	3.4 x	2.8 x	16.7 x	9.8 x	17.3 x	15.8 x	17.0 x	10.0 x	19.1 x	17.3 x	25.9 x	13.5 x	28.4 x	25.5 x
Max					19.2 x	14.9 x	14.4 x	13.0 x	37.0 x	30.2 x	24.9 x	22.0 x	37.8 x	34.8 x	29.3 x	24.6 x	65.6 x	165.7 x	49.5 x	39.5 x
Average					10.4 x	7.4 x	7.5 x	6.7 x	26.9 x	22.5 x	20.3 x	23.5 x	28.4 x	24.0 x	25.2 x	21.6 x	44.7 x	62.6 x	41.0 x	34.9 x
Average (excl high and low)					9.7 x	6.6 x	6.6 x	5.8 x	26.9 x	24.1 x	19.6 x	18.8 x	29.0 x	25.1 x	26.1 x	22.3 x	44.1 x	35.5 x	43.1 x	37.2 x
Car Classifieds - Global Listed																				
Yandex.N.V.	31-Dec-19	Netherlands	17,701	17,083	5.9 x	4.4 x	3.4 x	2.8 x	23.5 x	14.6 x	10.6 x	8.0 x	35.4 x	19.8 x	13.7 x	9.4 x	15.9 x	25.0 x	18.0 x	13.3 x
58.com Inc.	31-Dec-19	China	13,173	12,406	4.5 x	3.8 x	3.2 x	2.8 x	21.3 x	19.1 x	14.4 x	11.6 x	25.0 x	21.8 x	16.6 x	13.2 x	29.9 x	20.2 x	15.7 x	12.7 x
Autohome Inc.	31-Dec-19	China	14,456	12,233	8.1 x	6.6 x	5.6 x	4.8 x	19.8 x	15.0 x	12.6 x	10.8 x	20.5 x	16.3 x	13.7 x	11.3 x	20.5 x	15.8 x	13.1 x	10.8 x
Auto Trader Group plc	31-Mar-19	United Kingdom	9,220	9,801	16.4 x	15.2 x	14.4 x	13.5 x	23.8 x	21.7 x	19.8 x	18.4 x	24.4 x	22.3 x	20.4 x	18.9 x	31.6 x	27.4 x	26.0 x	23.7 x
Scout24 AG	31-Dec-19	Germany	8,158	9,310	10.4 x	9.3 x	8.4 x	7.7 x	24.1 x	17.8 x	15.7 x	14.3 x	29.7 x	21.9 x	19.2 x	17.3 x	34.9 x	28.9 x	25.4 x	22.7 x
Bitauto Holdings Limited	31-Dec-19	China	1,048	6,037	2.7 x	2.5 x	2.2 x	2.1 x	63.4 x	21.6 x	14.3 x	12.0 x	n/m	23.2 x	17.6 x	13.4 x	n/m	39.0 x	29.7 x	28.1 x
CarGurus, Inc.	31-Dec-19	United States	5,729	5,618	8.7 x	6.8 x	5.6 x	4.7 x	139.6 x	64.3 x	43.9 x	30.6 x	169.8 x	71.3 x	47.8 x	33.8 x	60.4 x	83.0 x	59.9 x	38.2 x
Cars.com Inc.	31-Dec-19	United States	1,874	2,816	3.0 x	3.1 x	2.9 x	2.6 x	11.4 x	10.1 x	8.8 x	7.9 x	21.0 x	28.8 x	19.3 x	16.8 x	50.9 x	16.8 x	13.2 x	11.3 x
MarkLines Co., Ltd.	31-Dec-19	Japan	321	293	10.8 x	9.1 x	7.6 x	n/a	28.8 x	n/a	n/a	n/a	30.1 x	25.1 x	21.1 x	n/a	43.5 x	n/a	n/a	n/a
Min					2.7 x	2.5 x	2.2 x	2.1 x	11.4 x	10.1 x	8.8 x	7.9 x	20.5 x	16.3 x	13.7 x	9.4 x	15.9 x	15.8 x	13.1 x	10.8 x
Max					16.4 x	15.2 x	14.4 x	13.5 x	139.6 x	64.3 x	43.9 x	30.6 x	169.8 x	71.3 x	47.8 x	33.8 x	60.4 x	83.0 x	69.9 x	38.2 x
Average					7.8 x	6.8 x	5.9 x	5.1 x	39.5 x	23.0 x	17.5 x	14.2 x	44.5 x	27.8 x	21.0 x	16.7 x	36.0 x	32.0 x	25.0 x	20.1 x
Average (excl high and low)					7.4 x	6.2 x	5.3 x	4.2 x	29.2 x	18.3 x	14.6 x	12.5 x	27.6 x	23.3 x	18.3 x	15.1 x	35.2 x	26.2 x	21.2 x	18.6 x
Other Classifieds - Global																				
Recruit Holdings Co., Ltd.	31-Mar-19	Japan	79,456	76,355	2.7 x	2.5 x	2.3 x	2.1 x	22.4 x	19.6 x	17.1 x	15.1 x	29.5 x	25.9 x	22.3 x	19.2 x	38.0 x	33.1 x	n/a	n/a
Adecco Group AG	31-Dec-19	Switzerland	14,023	16,587	0.4 x	0.4 x	0.4 x	0.4 x	9.0 x	8.5 x	8.1 x	7.7 x	9.9 x	9.5 x	9.0 x	8.6 x	22.3 x	14.1 x	12.9 x	12.1 x
Adevinta ASA	31-Dec-19	Norway	10,709	11,324	11.7 x	10.2 x	9.0 x	7.9 x	51.5 x	35.6 x	28.3 x	23.2 x	56.0 x	42.4 x	32.9 x	26.0 x	n/m	67.4 x	49.1 x	38.0 x
ANGI Homeservices Inc.	31-Dec-19	United States	9,398	9,475	5.9 x	4.9 x	4.0 x	3.2 x	29.1 x	23.1 x	16.8 x	12.5 x	46.8 x	56.5 x	29.0 x	18.8 x	85.9 x	36.1 x	25.2 x	18.2 x
TripAdvisor, Inc.	31-Dec-19	United States	9,179	8,267	3.6 x	3.4 x	3.2 x	2.9 x	24.5 x	12.2 x	11.0 x	9.9 x	30.8 x	25.0 x	21.5 x	18.9 x	51.3 x	20.8 x	18.7 x	16.3 x
Xing SE	31-Dec-19	Germany	3,425	3,320	8.8 x	7.3 x	6.2 x	5.4 x	32.4 x	24.3 x	20.0 x	16.7 x	39.1 x	37.3 x	29.9 x	24.7 x	66.0 x	53.9 x	43.5 x	36.2 x
Yelp Inc.	31-Dec-19	United States	3,827	3,310	2.5 x	2.3 x	2.0 x	1.8 x	46.7 x	10.4 x	8.7 x	7.2 x	89.6 x	45.4 x	26.4 x	18.8 x	41.9 x	15.2 x	12.8 x	10.4 x
trivago N.V.	31-Dec-19	Germany	2,112	1,967	1.3 x	1.4 x	1.3 x	1.2 x	n/m	16.1 x	13.5 x	10.1 x	n/m	26.0 x	19.6 x	14.6 x	n/m	29.6 x	24.7 x	19.2 x
LIFULL Co., Ltd.	30-Sep-19	Japan	886	806	1.8 x	1.5 x	1.3 x	1.2 x	11.4 x	10.8 x	8.6 x	6.6 x	14.3 x	14.3 x	10.9 x	8.7 x	21.3 x	n/a	n/a	n/a
Yellow Pages Limited	31-Dec-19	Canada	217	450	0.7 x	1.0 x	1.2 x	1.5 x	3.2 x	2.5 x	3.1 x	3.9 x	3.7 x	3.4 x	4.4 x	5.4 x	5.0 x	9.0 x	11.8 x	17.9 x
Care.com, Inc.	31-Dec-19	United States	509	446	1.6 x	1.4 x	1.3 x	1.1 x	22.6 x	12.1 x	9.8 x	7.6 x	26.7 x	101.7 x	33.8 x	n/a	5.9 x	14.0 x	11.3 x	n/a
DHI Group, Inc.	31-Dec-19	United States	280	323	1.4 x	1.5 x	1.4 x	n/a	10.3 x	6.4 x	5.8 x	n/a	18.7 x	12.5 x	10.0 x	n/a	31.5 x	18.6 x	13.6 x	n/a
SaraminHR Co.,Ltd.	31-Dec-19	South Korea	351	299	2.8 x	2.7 x	2.5 x	2.3 x	11.6 x	9.7 x	8.1 x	6.9 x	12.9 x	10.6 x	9.0 x	7.6 x	14.6 x	11.6 x	9.7 x	8.4 x
Cookpad Inc.	31-Dec-19	Japan	436	180	1.1 x	1.2 x	1.2 x	n/a	5.3 x	10.4 x	11.7 x	n/a	5.9 x	12.9 x	n/a	n/a	33.3 x	n/a	n/a	n/a
Port Inc.	31-Mar-19	Japan	174	152	6.0 x	3.8 x	n/a	n/a	n/a	20.6 x	n/a	n/a	n/m	21.2 x	n/a	n/a	n/m	20.9 x	n/a	n/a
Mediagrif Interactive Technologies Inc.	31-Mar-19	Canada	119	132	1.5 x	1.5 x	1.6 x	1.6 x	6.7 x	7.5 x	6.9 x	6.6 x	8.0 x	9.1 x	11.4 x	12.5 x	16.8 x	n/m	15.5 x	14.6 x
Innovation Inc.	31-Mar-19	Japan	23	15	n/a	0.7 x	n/a	n/a	n/a	34.8 x	n/a	n/a	n/a	69.6 x	n/a	n/a	n/a	139.2 x	n/a	n/a
Min					0.4 x	0.4 x	0.4 x	0.4 x	3.2 x	2.5 x	3.1 x	3.9 x	3.7 x	3.4 x	4.4 x	5.4 x	5.0 x	9.0 x	9.7 x	8.4 x
Max					11.7 x	10.2 x	9.0 x	7.9 x	51.5 x	35.6 x	28.3 x	23.2 x	89.6 x	101.7 x	33.8 x	26.0 x	85.9 x	139.2 x	49.1 x	38.0 x
Average					3.4 x	2.8 x	2.6 x	2.5 x	20.5 x	15.6 x	11.8 x	10.3 x	28.0 x	30.8 x	19.0 x	16.3 x	33.4 x	34.5 x	20.7 x	19.1 x
Average (excl high and low)					3.0 x	2.5 x	2.3 x	2.2 x	19.3 x	15.1 x	11.2 x	9.7 x	24.9 x	27.9 x	19.0 x	16.2 x	31.2 x	27.9 x	19.0 x	18.1 x
Aggregated Data (includes all categories)																				
Min					0.4 x	0.4 x	0.4 x	0.4 x	3.2 x	2.5 x	3.1 x	3.9 x	3.7 x	3.4 x	4.4 x	5.4 x	5.0 x	9.0 x	9.7 x	8.4 x
Max					19.2 x	15.2 x	14.4 x	13.5 x	139.6 x	64.3 x	43.9 x	45.5 x	169.8 x	101.7 x	47.8 x	33.8 x	85.9 x	165.7 x	69.9 x	39.5 x
Average					6.0 x	4.8 x	4.5 x	4.1 x	27.7 x	18.7 x	14.8 x	14.1 x	33.0 x	28.8 x	20.5 x	16.8 x	36.4 x	38.1 x	25.5 x	22.3 x
Average (excl high and low)					5.8 x	4.6 x	4.3 x	3.9 x	24.4 x	17.7 x	14.1 x	13.2 x	28.7 x	27.2 x	20.1 x	16.6 x	35.6 x	34.0 x	24.7 x	22.2 x

Source: Capital IQ

The above trading multiples:

- Are on a minority interest basis;
- Reflect marketable securities;
- Reflect the level of liquidity relevant to each company;
- Reflect businesses typically larger and more diversified than LatAm; and
- Reflect a range of growth and associated risk profiles.

Summarised below are descriptions of the trading companies described above:

LatAm Comparable Company Descriptions		
Company name	Geographic location	Business description
Australian Listed		
REA Group Limited	Australia	REA Group Limited provides advertising services to the real estate industry in Australia and Asia. It advertises property and property-related services on Websites and mobile apps. The company operates Australian residential, commercial, and share property sites, such as realestate.com.au, realcommercial.com.au, and Flatmates.com.au; Chinese property site myfun.com; and various property portals in Asia. The company was formerly known as realestate.com.au Ltd. and changed its name to REA Group Limited in December 2008. REA Group Limited was founded in 1995 and is headquartered in Richmond, Australia. REA Group Limited is a subsidiary of News Limited.
SEEK Limited	Australia	SEEK Limited, together with its subsidiaries, provides online employment marketplace services in Australia and internationally. It operates through SEEK Asia Pacific & Americas, and SEEK Investments segments. The company engages in matching of hirers and candidates with career opportunities and related services; and sourcing and placement of candidates into roles online, as well as the distribution and provision higher education courses. It also provides advice in relation to career related education. The company was founded in 1997 and is headquartered in Melbourne, Australia.
carsales.com Ltd	Australia	carsales.com Ltd engages in online automotive, motorcycle, and marine classifieds business primarily in Australia. The company operates in five segments: Online Advertising Services; Data, Research and Services; Latin America; Asia; and Finance and Related Services. The Online Advertising Services segment provides classified advertising that allows dealers and consumers to advertise automotive and non-automotive goods and services for sale across the carsales network; and services, including subscriptions, lead fees, and priority placement services in automotive and non-automotive Websites. It also offers display advertising services, such as placing advertisements on carsales network Websites for corporate customers comprising automotive manufacturers/importers, finance and insurance companies, etc. In addition, this segment holds investments in tyresales.com.au, an online tire advertisement Website that allows consumers to transact and purchase tires; and RedBook Inspect, which provides inspection services published online as part of classified advertisements. The Data, Research and Services segment offers software, analysis, research and reporting, valuation services, and Website development and hosting, as well as photography services to manufacturers/importers, dealers, industry bodies, and finance and insurance companies. The Latin America segment is involved in the online automotive classifieds activities. The Asia segment provides online automotive classifieds and automotive data services. The Finance and Related Services segment offers finance arrangements for vehicles, boats, and other leisure items; vehicle procurement; and other related services to customers. carsales.com Ltd was founded in 1997 and is headquartered in Richmond, Australia.
Domain Holdings Australia Limited	Australia	Domain Holdings Australia Limited operates as a real estate media and technology services company in Australia. It operates through Core Digital, Transactions and Other (Digital), and Print segments. The company offers residential, commercial, and rural property marketing solutions through its listings portals on desktop and mobile, as well as through social media and print magazines. It also provides media and lead-generation solutions for advertisers looking to promote their products and services to consumers; and creates property market content to engage consumers and support audience growth. In addition, the company offers data and technology services to real estate agencies through customer relationship management services, property data subscriptions and research, and property inspection management tools. Further, it publishes real estate newspapers and magazines; and provides other transactional services in the property lifecycle, including home loan and insurance brokerage, residential utilities product comparison, residential and commercial utilities connection, and trade services, as well as information services for buyers, investors, sellers, renters, and agents. The company is based in Pymont, Australia. Domain Holdings Australia Limited is a subsidiary of Fairfax Media Limited.
iCar Asia Limited	Malaysia	iCar Asia Limited develops and operates Internet based automotive portals for used and new car buyers in South East Asia. It operates automotive portals under the Carlist.my and LiveLifeDrive.com brands in Malaysia; Mobil123.com and Otospirit.com brands in Indonesia; and one2car.com, Autospinn.com, and Thaicar.com brands in Thailand. The company was founded in 2012 and is headquartered in Kuala Lumpur, Malaysia.
Hotcopper Holdings Limited	Australia	Hotcopper Holdings Limited operates as a stock trading and investment Internet discussion forum in Australia. The company's platform enables users to discuss listed companies in the Australian Securities Exchange. It provides a forum for investors to comment on a range of topics, including listed companies and IPOs, stocks to buy and sell, share market trading, ASX stock markets, foreign stock markets, politics, sports, betting, etc., as well as futures, derivatives, managed funds, and foreign currency trading. The company also offers Australian finance news, market caps, ASX listed company announcements, and prices. It serves substantial user base of retail and sophisticated investors, as well as self-managed superannuation funds. The company was incorporated in 2016 and is based in Perth, Australia.

LatAm		
Comparable Company Descriptions		
Company name	Geographic location	Business description
Car Classifieds - Global		
Yandex N.V.	Netherlands	Yandex N.V., an Internet and technology company, operates an Internet search engine in Russia and internationally. The company offers search, location-based, personalized, and mobile services that enable users to find information, and communicate and connect over the Internet from desktops and mobile devices. It provides geolocation services, such as Yandex.Maps, Yandex.Navigator, Yandex.Auto, and Yandex.Routing; Yandex.Mail that provides access to email accounts; Yandex.Disk, a cloud-based storage service; Yandex.News, an online news aggregation service; Yandex.Weather hyperlocal weather information services; Yandex.Browser for desktops and mobile platforms; and Yandex Search Apps. The company also provides Yandex.Direct, an auction-based advertising placement platform; Yandex Advertising Network service; Yandex.Radar, a market analytics tool; mobile advertising products; Yandex.Metrica, a web analytics system; Yandex.Market, an e-commerce gateway service; Yandex.Station, a smart speaker; Yandex.Phone, an assistant. In addition, it offers Yandex.Taxi, a ride-sharing service; Auto.ru for used and new cars, commercial vehicles, and spare parts; Yandex.Realty, a real estate classifieds platform; Yandex.Jobs, a job search Website; and Yandex.Travel, a travel aggregator service. Further, it offers KinoPoisk, a Russian language Website for movies, TV series, celebrity content, and entertainment news; Yandex.Music, a music streaming service; Yandex.Afisha to buy tickets to cinemas, theaters, and concerts online; and Yandex.TV Program that provides up to date schedule of broadcast, cable and digital TV channels, as well as an option to view certain TV channels online. Additionally, it offers Yandex.Zen, a personal recommendation service; Yandex.Cloud that allows companies to host and develop apps and services, and store and manage data; and Yandex.Drive, a free-floating car-sharing service. Yandex N.V. was incorporated in 2004 and is based in Schiphol, the Netherlands.
58.com Inc.	China	58.com Inc. operates various multi-category online classifieds platforms and vertical listing platforms that enable local businesses and consumers to connect, share information, and conduct business in the People's Republic of China. It operates multi-content category online classified platforms primarily under the 58 and Ganji names; Anjuke, an online real estate listing platform; ChinaHR, an online recruitment platform that focuses on white collar jobs; and Jia Xiao Yi Dian Tong, an online platform for driver's license examination preparation and other related services. The company also operates Zhuan Zhuan, an online used goods trading and service platform; and 58 Town, a rural version of 58.com. Its platform offers content in the categories, including real estate, jobs, automotive, yellow pages, and used goods. 58.com Inc. was founded in 2005 and is headquartered in Beijing, the People's Republic of China.
Autohome Inc.	China	Autohome Inc. operates as an online destination for automobile consumers in the People's Republic of China. The company, through its Websites, autohome.com.cn and che168.com, delivers comprehensive, independent, and interactive content to automobile buyers and owners, including company generated content, such as automobile-related articles and reviews, pricing trends in various local markets, photographs, video clips, and live streaming; automobile library, which comprises a range of specifications covering performance levels, dimensions, powertrains, vehicle bodies, interiors, safety, entertainment systems, and other features, as well as manufacturers' suggested retail prices; new and used automobile listings, and promotional information; and user generated content and forums. It also offers advertising services for automakers and dealers; dealer subscription services that allow dealers to market their inventory and services through its Websites and mobile applications; and used automobile listings services, which allow used automobile dealers and individuals to market their automobiles for sale on its Websites. In addition, Autohome Inc. operates Autohome Mall, an online transaction platform that facilitates direct vehicle sales and commission-based services; provides iOS- and Android-based applications to allow its users to access its content; and offers technical support and management consulting services. The company was formerly known as Sequel Limited and changed its name to Autohome Inc. in October 2011. Autohome Inc. was founded in 2008 and is headquartered in Beijing, the People's Republic of China. Autohome Inc. is a subsidiary of Yun Chen Capital Cayman.
Auto Trader Group plc	United Kingdom	Auto Trader Group plc operates in the digital automotive marketplace in the United Kingdom and Ireland. It offers its products to retailers and home traders, and logistics firms; vehicle advertisement on its Websites for private sellers, as well as insurance and loan financing products to consumers; and display advertising on its Websites for manufacturers and their advertising agencies. The company was founded in 1977 and is headquartered in Manchester, the United Kingdom.
Scout24 AG	Germany	Scout24 AG operates digital marketplaces specializing in the real estate and automotive sectors in Germany and other European countries. The company operates through ImmobilienScout24, AutoScout24, and Scout24 Consumer Services segments. The ImmobilienScout24 segment operates real estate classifieds portal for commercial and private customers for the sale and rental of real estate properties, as well as offers support services, such as customer acquisition and care for business real estate professionals. The AutoScout24 segment operates classifieds portal for commercial and private customers for the sale of new and second-hand cars, as well as offers display advertising services to original equipment manufacturers. The Scout24 Consumer Services segment provides supplementary services for the users, such as rental, purchase, or sale of a residential property or the purchase or sale of a car; placement of third-party advertising on Scout24 platforms; and consumer loans intermediation services. Scout24 AG was founded in 1998 and is based in Munich, Germany.
Bitauto Holdings Limited	China	Bitauto Holdings Limited, through its subsidiaries, provides Internet content and marketing services, and transaction services for the automobile industry in the People's Republic of China. It operates in three segments: Advertising and Subscription Business, Transaction Services Business, and Digital Marketing Solutions Business. The Advertising and Subscription Business segment offers advertising services, including automobile pricing and promotional information, specifications, reviews, and consumer feedback to automakers through its bitauto.com Website. It also provides transaction-focused online advertisement and promotional services for automakers, automobile dealers, auto finance partners, and insurance companies; and Web-based and mobile-based integrated digital marketing solutions to automobile dealers. The Transaction Services Business segment operates an online automobile finance and transaction platform, which provides transaction platform and self-operated financing services. The Digital Marketing Solutions Business segment offers one-stop digital marketing solutions, including Website creation and maintenance, online public relation, online marketing campaign, advertising agency, big data application, and digital image creation services for automakers. The company also distributes its dealer customers' automobile pricing and promotional information through its Internet service provider partners. Bitauto Holdings Limited was founded in 2000 and is headquartered in Beijing, the People's Republic of China.
CarGurus, Inc.	United States	CarGurus, Inc. operates an online automotive marketplace connecting buyers and sellers of new and used cars in the United States, Canada, the United Kingdom, Germany, Italy, and Spain. The company provides consumers an online automotive marketplace where they can search for new and used car listings from its dealers, as well as sell their car in the United States marketplace. Its marketplace connects dealers to a large audience of informed and engaged consumers. The company was founded in 2005 and is headquartered in Cambridge, Massachusetts.
Cars.com Inc.	United States	Cars.com Inc., through its subsidiaries, operates as a digital automotive marketplace that connects car shoppers with sellers and original equipment manufacturers in the United States. Its Cars.com platform consists of Website and mobile application, including a database of approximately 5 million new and used vehicle listings from U.S.-based dealerships and online-only car sellers. The company's portfolio of brands also includes Dealer Inspire, DealerRater, Auto.com, PickupTrucks.com, and NewCars.com, which provide digital solutions for car dealers, including dealer Websites, technology and reputation management solutions that improve automotive selling for local dealerships and national OEM brands. In addition, it offers a monthly online subscription that enables dealers to showcase their new and used vehicle inventory to in-market shoppers with photos, videos, and vehicle specifications. As of December 31, 2018, it served approximately 20,000 dealer customers, including franchise dealers and independent dealers. Cars.com Inc. was founded in 1998 and is headquartered in Chicago, Illinois.
MarkLines Co., Ltd.	Japan	MarkLines Co., Ltd. operates an automotive industry portal in Japan. The company's Information Platform offers online information services, including information about suppliers, such as who supplies whom, plant data, and market trends; sales and production statistics; reports on technology and market trends; and model plan data comprising forecasts and others in Japanese, Chinese, and English. It also provides B2B promotional support and advertisement services that include promotional emails and banner ads under the LINES name to its Information Platform members. The company serves OEMs, parts suppliers, material suppliers, machinery and equipment, solution vendors, transportation companies, trading companies, consultation firms, financial institutions, government, labor unions, universities, and construction companies. MarkLines Co., Ltd. was founded in 2001 and is headquartered in Tokyo, Japan.

LatAm		
Comparable Company Descriptions		
Company name	Geographic location	Business description
Other Classifieds - Global Listed		
Recruit Holdings Co., Ltd.	Japan	Recruit Holdings Co., Ltd. provides employment information services in Japan and internationally. It operates through HR Technology, Media & Solutions, and Staffing segments. The company operates Indeed.com, which aggregates various job listings from information found on company career pages, job search sites, and other online sources. It also operates Suumo, a real estate and housing Website; Zexy, a site providing bridal-related information on various wedding venues and dresses, jewelry and accessories, and wedding favors; Study Sapuri Shinro, a Website that offers educational information to guide high school students and their families; and Car Sensor, which provides information for purchasing or replacing a vehicle. In addition, the company operates Jalan, a site offering travel information and accommodation booking for travel in Japan; Hot Pepper Gourmet, an online booking site to search and book restaurants, read up on restaurant information, and find restaurant coupons; Hot Pepper Beauty, a domestic search and booking site for hair, relaxation, and beauty salons; AirRegi, a POS cash register app; Rikunabi, a job information site for soon-to-be graduates; Rikunabi Next, a job portal site for people looking to change jobs; Recruit Agent, an employment agency staffed with career advisors; From A Navi, a part-time job openings Website; and Townwork, a magazine that provides information on job openings in local communities. Further, it offers temporary clerical and IT staffing agency services; light industrial staffing services; staffing and human capital outsourcing services; IT and digital recruitment services specializing in contracting and permanent recruitment; and human resources services, products, and technologies to organizations and individuals. The company was founded in 1960 and is headquartered in Tokyo, Japan.
Adecco Group AG	Switzerland	Adecco Group AG, together with its subsidiaries, provides workforce solutions to businesses and organizations worldwide. The company provides temporary staffing, permanent placement, and outsourcing services for clerical and support personnel in the areas of office-based employment; and candidates for blue collar job profiles across various industrial and service sectors under the Adecco brand names, as well as recruitment on demand and online staffing platform for hospitality and events under Adia brand name. It also offers professional staffing services in the information technology, engineering and technical, finance and legal, and medical and science-related industries under the Badenoch & Clark, Modis, Spring Professional, Vettery, and YOSS brand names. In addition, the company provides talent development and career transition services, including leadership coaching, career development programs, and change management support under the Lee Hecht Harrison and General Assembly brand names; and managed service programs and recruitment process outsourcing solutions under Pontoon name. As of December 31, 2018, it operated approximately 5,300 branches in 60 countries and territories. The company was formerly known as Adecco S.A. Adecco Group AG was founded in 1957 and is headquartered in Zurich, Switzerland.
Adevinta ASA	Norway	Adevinta ASA operates as an online classifieds company worldwide. The company operates in four segments: France, Spain, Brazil, and Global Markets. It owns and operates 36 online classified marketplaces in generalist, real estate, cars, jobs, and other categories across a range of Websites and mobile applications in 16 countries. The company was formerly known as Marketplaces International ASA and changed its name to Adevinta ASA in February 2019. The company was founded in 2018 and is based in Oslo, Norway. Adevinta ASA operates independently of Schibsted ASA as of April 9, 2019.
ANGI Homeservices Inc.	United States	ANGI Homeservices Inc. operates a digital marketplace for home services, connecting millions of homeowners with home service professionals in North America and Europe. Its HomeAdvisor digital marketplace service connects consumers with service professionals for home repair, maintenance, and improvement projects, as well as provides consumers with tools and resources to help them find local, pre-screened, and customer-rated service professionals. The company also owns and operates Angie's List, which connects consumers with service professionals for local services through an online directory of service professionals in various service categories; and provides consumers with valuable tools, services, and content, including verified reviews, to help them research, shop, and hire for local services. In addition, it operates Handy, a platform for connecting individuals looking for household services, primarily cleaning and handyman services; mHelpDesk and CraftJACK service brands; HomeStars, a home services platform; and home services online marketplaces, including Travaux, MyHammer, Werkspot, MyBuilder, Instapro, and MyHammer. The company was formerly known as Halo TopCo, Inc. and changed its name to ANGI Homeservices Inc. in May 2017. ANGI Homeservices Inc. was incorporated in 2017 and is headquartered in Golden, Colorado. ANGI Homeservices Inc. is a subsidiary of IAC/InterActiveCorp.
TripAdvisor, Inc.	United States	TripAdvisor, Inc. operates as an online travel company. It operates in two segments, Hotel and Non-Hotel. The company operates TripAdvisor-branded Websites, including tripadvisor.com in the United States; and localized versions of the Website in 48 markets and 28 languages. It also manages and operates other travel media brands that provide users the comprehensive travel-planning and trip-taking resources in the travel industry, such as airfarewatchdog.com, bookingbuddy.com, cruisecritic.com, familyvacationcritic.com, flipkey.com, thefork.com, holidaywatchdog.com, housetrip.com, jetsetter.com, niumba.com, onetime.com, oyster.com, seatguru.com, smartertravel.com, tingo.com, vacationhomerentals.com, and viator.com, as well as www.bokun.io and holidaylettings.co.uk. In addition, the company provides information and services for consumers to research and book restaurants in travel destinations; and vacation and short-term rental properties, including full home rentals, condominiums, villas, beach rentals, cabins, and cottages. Its Websites feature 730 million reviews and opinions on 8.1 million places comprising 1.3 million hotels, inns, B&Bs, and specialty lodging; 875,000 rental properties; 4.9 million restaurants; and 1.0 million travel activities and experiences worldwide. TripAdvisor, Inc. was founded in 2000 and is headquartered in Needham, Massachusetts.
Xing SE	Germany	Xing SE operates professional networking Websites primarily in Germany, Austria, Switzerland, and internationally. It operates through four segments: B2C, B2B E-Recruiting, B2B Advertising & Events, and Kununu International. The B2C segment serves XING members who use XING.com, XING Jobs, and kununu.com to network with other professionals for finding a suitable job, obtaining information about employers, or reading about career-related topics. The B2B E-Recruiting segment offers passive recruiting products and services that allow recruiters to post various kinds of jobs ads on the XING platform; and active recruiting products and services, which provides active candidate search and management product, as well as employer branding profiles. It also offers Xing referral manager to recruit talent with the help of existing employees. The B2B Advertising & Events segment engages in selling advertising space on XING.com, as well as provides Xing sponsored posts, mailings, video posts, articles, and business pages. The segment also processes events through its XING platform that offers registration, ticketing, and billing services for event organizers, as well as provides an online tool, which offers event organizers to select target groups for events they post on XING and then advertise them on the platform. The Kununu International segment engages in the provision of technical infrastructure services. The company was founded in 2003 and is based in Hamburg, Germany. Xing SE is a subsidiary of Burda Digital GmbH.
Yelp Inc.	United States	Yelp Inc. operates a platform that connects consumers with local businesses in the United States, Canada, and internationally. The company's platform covers various local business categories, including restaurants, shopping, beauty and fitness, arts, entertainment and events, home and local services, health, nightlife, travel and hotel, auto, and others. It provides free and paid advertising products to businesses, as well as enables businesses to deliver targeted search advertising to local audiences through its Website and mobile application; and business listing products. The company's Yelp platform enables consumers to order flowers, purchase event tickets, and book spa and salon appointments. In addition, it offers Yelp Deals that allow local business owners to create promotional discounted deals for their products and services; and Gift Certificates products for local business owners to sell full-price gift certificates directly to customers through their business listing pages. Further, the company provides other services comprising Yelp Reservations that provide restaurants, nightlife, and other venues with the ability to offer online reservations directly from their Yelp business listing pages; and Yelp Waitlist, a subscription-based waitlist management solution that allows consumers to check wait times and join waitlists remotely, as well as businesses to manage seating and server rotation. Its other services also include Yelp WiFi Marketing product for businesses to create on-premises WiFi access for customers and advertise products on the WiFi log-in page, as well as collect contact and social media information from customers. The company offers its products directly through its sales force; indirectly through partners; and online through its Website, as well as non-advertising partner arrangements. Yelp Inc. was founded in 2004 and is headquartered in San Francisco, California.
trivago N.V.	Germany	trivago N.V., together with its subsidiaries, operates as a hotel and accommodation search platform. It offers online meta-search for hotels by facilitating consumers' search for hotel accommodation through online travel agents, hotel chains, and independent hotels. The company provides access to its platform through 55 localized Websites and apps in 33 languages. As of December 31, 2018, its hotel search platform offered access to approximately 3.0 million hotels and other types of accommodation worldwide. The company was founded in 2005 and is headquartered in Düsseldorf, Germany. trivago N.V. is a subsidiary of Expedia Group, Inc.

LatAm		
Comparable Company Descriptions		
Company name	Geographic location	Business description
Other Classifieds - Global Listed		
LIFULL Co., Ltd.	Japan	Lifull Co., Ltd. provides real estate information services in Japan. The company offers LIFULL HOME'S, a site of real estate and housing information; LIFULL HOME'S PRO a communication platform; LIFULL Rumah, a real estate and housing information Website for Indonesia; LIFULL Concierge, a Real estate agency service for Japanese employees re-assigned to Jakarta; and Trovit, an aggregation Website. It also provides LIFULL Move that provides reviews and rankings of the moving companies; LIFULL Storage, a storage space searching Web service; LIFULL Interior, a furniture and interior decoration EC site; and LIFULL Nursing Care, a special care facility searching Web service. In addition, it offers LIFULL FaM that enables working mothers balance childcare with work while pursuing a career. Further, the company provides LIFULL FLOWER, an online flower gift shop; LIFULL Produk, a food and cosmetics online review service; LIFULL HUB, a Co-working space; LIFULL Table, a restaurant and party space; and LIFULL Marketing Partners that offers full Web assistance for real estate related companies. The company was formerly known as NEXT Co., Ltd. and changed its name to Lifull Co., Ltd. in April 2017. Lifull Co., Ltd. was founded in 1997 and is headquartered in Tokyo, Japan.
Yellow Pages Limited	Canada	Yellow Pages Limited operates as a digital media and marketing solutions company. It offers a suite of apps, Websites, and print media to suit the search preferences of Canadians. The company provides digital and traditional marketing solutions, including online and mobile priority placement on Yellow Pages owned and operated media, content syndication, search engine solutions, Website fulfillment, social media campaign management and digital display advertising, video production, and print advertising to small and medium-sized businesses. It also offers 411.ca, a digital directory service; digital and print media marketing solutions; local digital restaurant guides; and booking and reservation management systems. Yellow Pages Limited was founded in 1908 and is headquartered in Montreal, Canada.
Care.com, Inc.	United States	Care.com, Inc. operates an online marketplace for finding and managing family care in the United States and internationally. The company helps families to address their lifecycle of care needs, including child care, senior care, and special needs care, as well as other non-medical family care needs, such as pet care, tutoring, and housekeeping; and enables caregivers to find full-time and part-time employment opportunities. Its consumer matching solutions allow families to search for, connect with, qualify, vet, and select caregivers. The company also provides caregivers with solutions to create personal profiles, describe their skills and experience, and otherwise differentiate and market themselves in a marketplace. In addition, it offers consumer payments solutions that provide families various options to manage their financial relationship with their caregiver, such as Care.com HomePay, a payroll and tax product for families that employ nannies, housekeepers, or other domestic employees, as well as peer-to-peer payments solution that enables families to make electronic payments to their caregivers using Website or mobile apps. Further, the company provides solutions for employers through Care@Work; and recruiting and marketing solutions for care-related businesses, such as day care centers, nanny agencies, and home care agencies. Care.com, Inc. was founded in 2006 and is headquartered in Waltham, Massachusetts.
DHI Group, Inc.	United States	DHI Group, Inc. provides data, insights, and employment connections through specialized services for technology professionals in the United States and internationally. The company operates Dice that offers job postings of technology and non-technology companies for industries, such as positions for software engineers, big data professionals, systems administrators, database specialists, project managers, and other technology and engineering professionals; and ClearanceJobs, an Internet-based career network, which matches security-cleared professionals with hiring companies searching for employees. It also provides eFinancialCareers, a financial services careers Website for financial services industry professionals from various sectors, including asset management, risk management, investment banking, and information technology; Rigzone, a Website that delivers online content, data, and career services in the oil and gas industry; and BioSpace, a resource for biotechnology careers, news, and resources in the area of life sciences. Further, it operates Targeted Job Fairs for technology, energy, and security-cleared professionals. The company serves small, mid-sized, and large direct employers; staffing companies; recruiting agencies; consulting firms; and marketing departments of companies. The company was formerly known as Dice Holdings, Inc. and changed its name to DHI Group, Inc. in April 2015. DHI Group, Inc. was founded in 1991 and is headquartered in New York, New York.
SaraminHR Co.,Ltd.	South Korea	SaraminHR Co.,Ltd. operates as a recruitment company in South Korea. It provides public recruitment information, headhunting, HR dispatch, and public recruitment support services through an online job portal. The company is based in Seoul, South Korea.
Cookpad Inc.	Japan	Cookpad Inc. provides online recipe sharing and searching services in Japan. Its platform offers various tools, such as meal planners, cooking videos, and recipe suggestions; and smart kitchen services. The company also offers its services through phones. In addition, it engages in the advertising business. The company was formerly known as Coin Ltd. and changed its name to Cookpad Inc. in June 1999. Cookpad Inc. was founded in 1997 and is headquartered in Tokyo, Japan.
Port Inc.	Japan	Port Inc. operates various domain-specific vertical media and develops content marketing for user needs in Japan. The company offers financial information sites necessary for sending a fulfilling money life, such as increasing, borrowing, saving, etc. It also operates career information sites, such as employment and career change, and real matching service with recruiting companies for member users. In addition, the company operates online health care platform for the lifestyle habit improvement supervised by doctors; and a medical information site for lifestyle diseases, individuals, and enterprises. The company was formerly known as Social Recruiting Co., Ltd. and changed its name to Port Inc. in 2015. The company was founded in 2011 and is headquartered in Tokyo, Japan.
Mediagrif Interactive Technologies Inc.	Canada	Mediagrif Interactive Technologies Inc., through its subsidiaries, provides e-commerce solutions to consumers and businesses in Canada, the United States, Asia, Europe, and internationally. Its e-business networks and solutions allow buyers and sellers to find, purchase, and sell products and services; help contractors and vendors access information on business opportunities from the government and private sectors; and offer professionals with automated and integrated business solutions to streamline the supply chain. The company provides e-commerce solutions in the fields of automotive aftermarket, consumer solutions, diamonds and jewelry, electronics components, information technology, telecom, government opportunities, supply chain collaboration, wine and spirits, e-procurement, computer equipment, classified ads, employment and talent acquisition, and online dating. Mediagrif Interactive Technologies Inc. was founded in 1996 and is headquartered in Longueuil, Canada.
Innovation Inc.	Japan	Innovation Inc. provides B2B marketing strategy support services in Japan. The company offers online media and sales cloud services. It offers online media services, including IT Trend, a comparison site that offers information of approximately 1500 IT products and services; and Biz Trend, a comparison site that offers information about business solutions for HR personnel and general managers. The company also provides marketing automation service through List Finder, a B2B focused Web analytics tool; and online sales services through Bellface, an online sales tool. Innovation Inc. was founded in 2000 and is headquartered in Tokyo, Japan.

Source: Capital IQ

Summarised below are the trading companies betas above:

LatAm Comparable Company Betas						
Company Name	Market cap (AUDm)	Revenue (AUDm)	Equity Beta Adopted	Avg debt to EV	Avg debt to Equity	Asset Beta
REA Group Limited	12,058	941	1.2	2.3%	FALSE	1.2
SEEK Limited	6,765	1,442	1.0	14.6%	FALSE	0.9
carsales.com Ltd	3,392	478	1.1	8.5%	FALSE	1.1
Domain Holdings Australia Limited	1,621	356	n/m	3.8%	FALSE	n/m
iCar Asia Limited	81	12	0.9	0.0%	FALSE	0.9
Hotcopper Holdings Limited	17	5	n/m	0.0%	FALSE	n/m
Yandex N.V.	17,938	3,396	0.8	4.4%	FALSE	0.8
58.com Inc.	11,572	2,874	1.2	2.2%	FALSE	1.2
Autohome Inc.	13,612	1,661	1.0	0.0%	FALSE	1.0
Auto Trader Group plc	8,748	651	0.5	9.4%	FALSE	0.5
Scout24 AG	9,081	910	n/m	11.4%	FALSE	n/m
Bitauto Holdings Limited	1,211	2,339	n/m	50.6%	FALSE	n/m
CarGurus, Inc.	6,591	749	1.2	0.3%	FALSE	1.2
Cars.com Inc.	901	907	1.0	22.1%	FALSE	0.8
MarkLines Co., Ltd.	325	30	1.0	0.0%	FALSE	1.0
Recruit Holdings Co., Ltd.	83,264	30,959	1.1	4.1%	FALSE	1.1
Adecco Group AG	12,906	38,448	0.8	20.8%	FALSE	0.7
Average			1.0	9.1%	10.0%	1.0

Source: Capital IQ

Appendix 5 – Comparable Transaction Multiples

Summarised below are multiples that were paid in transactions involving the acquisition of target businesses with operations similar to LatAm:

LatAm Transaction Multiples										
Closed Date	Target	Acquirer	Industry	Country	Acquired (%)	Transaction value (AUDm)	Implied EV (AUDm)	Implied multiples		
								Revenue	EBITDA	EBIT
Public Transactions - Controlling										
30-Apr-12	LoopNet, Inc.	CoStar Group, Inc.	Interactive Media and Services	United States	100%	696.4	606.2	7.3x	30.3x	36.5x
03-Nov-16	MyHammer Holding AG	HomeAdvisor, Inc. (nka:ANGI Homeservices Inc.)	Interactive Media and Services	Germany	70%	31.1	36.9	2.7x	31.4x	35.1x
11-Oct-06	PagesJaunes Groupe SA (nka:Solocal Group S.A)	Goldman Sachs Group, Merchant Banking Division; KKR & Co. L.P. (nka:KKR & Co. Inc.)	Interactive Media and Services	France	54%	5,578.3	9,483.3	7.2x	13.3x	13.6x
11-Aug-10	Full Speed Inc.	FreeBit Co., Ltd.	Interactive Media and Services	Japan	50%	96.3	105.8	0.5x	11.5x	25.5x
04-Mar-14	Auto Trader Group plc	Apax Partners LLP	Interactive Media and Services	United Kingdom	50%	3,726.6	4,673.5	11.4x	19.0x	19.5x
Average								5.8x	21.1x	26.1x
Average excl. high & low								5.8x	20.9x	26.7x
Min								0.5x	11.5x	13.6x
Max								11.4x	31.4x	36.5x
Public Transactions - Non-Controlling										
10-Mar-11	carsales.com Ltd	n/m	Interactive Media and Services	Australia	49%	565.6	1,132.1	8.1x	15.1x	15.5x
10-Mar-11	carsales.com Ltd	n/m	Interactive Media and Services	Australia	49%	565.6	1,132.1	8.1x	15.1x	15.5x
06-Feb-07	Grupo Media Capital, SGPS, S.A.	Promotora de Informaciones, S.A.	Broadcasting	Portugal	41%	561.3	1,165.7	3.0x	17.1x	23.8x
08-Oct-02	Axel Springer Verlag AG (nka:Axel Springer SE)	Deutsche Bank Aktiengesellschaft	Publishing	Germany	40%	1,193.5	3,174.1	0.6x	19.3x	NM
20-Jul-07	Grupo Media Capital, SGPS, S.A.	Promotora de Informaciones, S.A.	Broadcasting	Portugal	21%	227.6	1,223.0	3.4x	19.1x	27.1x
26-Feb-13	Grupo Media Capital, SGPS, S.A.	Vertex SGPS, S.A.	Broadcasting	Portugal	10%	33.2	470.4	2.0x	10.7x	14.1x
13-Dec-06	carsales.com Ltd	Bauer Media Entertainment Magazines Pty Limited	Interactive Media and Services	Australia	7%	32.3	468.0	13.7x	43.8x	45.6x
13-Dec-06	carsales.com Ltd	Bauer Media Entertainment Magazines Pty Limited	Interactive Media and Services	Australia	7%	32.3	468.0	13.7x	43.8x	45.6x
01-Mar-06	Axel Springer Verlag AG (nka:Axel Springer SE)	n/m	Publishing	Germany	3%	167.1	5,009.2	1.3x	6.7x	8.0x
12-May-17	Cofina, SGPS, S.A.	n/m	Publishing	Portugal	3%	1.5	135.6	0.9x	6.1x	7.1x
20-Jul-06	Axel Springer Verlag AG (nka:Axel Springer SE)	n/m	Publishing	Germany	2%	88.0	3,782.7	0.9x	4.8x	5.6x
16-Nov-09	AS Ekspress Grupp	n/m	Publishing	Estonia	1%	0.5	120.7	1.2x	44.4x	NM
17-Jun-16	Axel Springer SE	n/m	Publishing	Germany	0%	20.2	9,745.5	2.0x	12.9x	21.8x
01-Feb-08	Axel Springer AG (nka:Axel Springer SE)	n/m	Publishing	Germany	0%	4.8	4,914.3	1.2x	7.0x	8.4x
25-Jan-08	Axel Springer AG (nka:Axel Springer SE)	n/m	Publishing	Germany	0%	2.8	4,728.2	1.1x	6.6x	8.0x
Average								4.1x	18.2x	18.9x
Average excl. high & low								3.6x	17.2x	17.7x
Min								0.6x	4.8x	5.6x
Max								13.7x	44.4x	45.6x

LatAm Transaction Multiples										
Closed Date	Target	Acquirer	Industry	Country	Acquired (%)	Transaction value (AUDm)	Implied EV (AUDm)	Implied multiples		
								Revenue	EBITDA	EBIT
Private (Non Listed) Transactions - Controlling										
08-Jan-19	Mitula Group Limited	LIFULL Co., Ltd.	Interactive Media and Services	Spain	100%	215.8	195.1	4.1x	19.5x	27.9x
08-May-19	Trade Me Group Limited	Apax Partners LLP; GIC Pte. Ltd.; Apax IX, L.P.	Internet and Direct Marketing Retail	New Zealand	100%	2,645.7	2,584.1	10.5x	18.7x	19.3x
08-Jan-19	Mitula Group Limited	LIFULL Co., Ltd.	Interactive Media and Services	Spain	100%	215.8	195.1	4.1x	19.5x	27.9x
01-Nov-16	Auction123, Inc.	ARI Network Services, Inc.	IT Consulting and Other Services	United States	100%	15.6	15.6	n/m	8.0x	n/m
14-Nov-11	Réseau LesPAC Inc.	Mediagrif Interactive Technologies Inc.	Interactive Media and Services	Canada	100%	69.8	69.8	5.8x	8.2x	9.3x
14-Jul-06	Trader Classified Media N.V, Western European and Latin American Business	Schibsted ASA	Publishing	Netherlands	100%	929.1	929.1	3.0x	13.8x	n/m
29-Nov-04	Truvo Luxembourg S.à r.l.	Apax Partners LLP; Cinven Limited; Apax Europe V, L.P.; The Third Cinven Fund	Publishing	Luxembourg	100%	3,567.8	3,567.8	4.1x	8.9x	n/m
31-Jul-03	Blue Hill Media, Inc.	Denim Apparel Group Inc. (nka: Bolivar Mining Corp.)	Advertising	United States	100%	1.3	1.2	0.9x	15.6x	16.7x
Average								4.6x	14.0x	20.2x
Average excl. high & low								4.2x	14.1x	21.3x
Min								0.9x	8.0x	9.3x
Max								10.5x	19.5x	27.9x
Private (Non Listed) Transactions - Non-Controlling										
29-Sep-17	Zhaopin Limited	Hillhouse Capital Management, Ltd.; FountainVest Partners; SEEK International Investments Pty Ltd	Human Resource and Employment Services	China	39%	521.6	885.6	2.3x	13.3x	14.5x
15-Sep-04	Netgraphe Inc.	Quebecor Media Inc.	Application Software	Canada	18%	25.6	138.6	4.0x	34.3x	49.6x
12-May-11	Schibsted Norge ASA	Schibsted ASA	Publishing	Norway	14%	183.0	1,008.4	1.0x	5.7x	7.7x
23-Jan-19	Schibsted Classified Media Spain	Schibsted ASA	Interactive Media and Services	Spain	10%	159.7	1,596.7	6.5x	21.7x	n/m
Average								3.4x	18.8x	23.9x
Average excl.								3.2x	17.5x	14.5x
Min								1.0x	5.7x	7.7x
Max								6.5x	34.3x	49.6x
Aggregated Data (includes all transactions)										
Average								4.4x	17.7x	21.1x
Average excl. high & low								4.2x	17.2x	20.6x
Min								0.5x	4.8x	5.6x
Max								13.7x	44.4x	49.6x

Source: Capital IQ

The above multiples:

- Are on both controlling and non-controlling basis;
- Include any strategic value paid in the transactions;
- Reflect completed transactions (i.e. are on a marketable basis);
- Relate to target companies for which there is limited publicly available information (for example, in relation to growth and associated risk profiles); and
- Reflect businesses of a range of sizes and diversity.

Summarised below are descriptions of the transactions described above

LatAm Target Company Descriptions	
Target company name	Business Description
Public Transactions - Controlling	
LoopNet, Inc.	As of April 30, 2012, LoopNet, Inc. was acquired by CoStar Group Inc. LoopNet, Inc. owns and operates an online marketplace for commercial real estate in the United States. The company's online marketplace, LoopNet.com enables commercial real estate agents working on behalf of property owners and landlords to list properties for sale or for lease, and submit detailed information on property listings, including descriptions, financial and tenant information, photographs, and property characteristics to find a buyer or tenant. As of December 31, 2011, the LoopNet online marketplace contained approximately 820,391 listings. It also operates BizBuySell and BizQuest online marketplaces that enable business owners, sellers, and brokers to list and search for operating businesses for sale; LoopLink, an online real estate marketing and database services suite that enables commercial real estate firms to showcase their available properties on the LoopNet marketplace and brokerage firm's own Website using the company's hosted search software. In addition, the company provides Property Comps, a database to review precedent sales data to inform commercial real estate valuation analysis based on asset type, asking and sale price, sale date, property address, and size; and Property Facts that aggregates data from the LoopNet marketplace, LoopNet research, independent data providers, public records, and LoopNet members to deliver data on properties. Further, it offers advertising and lead generation; operates LandsofAmerica and LandAndFarm online marketplaces for rural land for sale; and offers REApplications that provides an integrated suite of commercial brokerage automation software. The company was formerly known as Loop Ventures, Inc. and changed its name to LoopNet, Inc. in November 1998. LoopNet, Inc. was incorporated in 1997 and is headquartered in San Francisco, California.
MyHammer Holding AG	MyHammer Holding AG, through its subsidiaries, operates Internet portals for craftsmen and service providers in Europe. The company was formerly known as Abacho AG and changed its name to MyHammer Holding AG in 2010. The company was founded in 1996 and is headquartered in Berlin, Germany. MyHammer Holding AG is a subsidiary of ANGI Homeservices Inc.
PagesJaunes Groupe SA (nka:Solocal Group S.A.)	Solocal Group S.A. provides digital local communication services in Europe. The company operates through two segments, Internet and Print & Voice. It offers local search services, including display advertising, search engine optimization (SEO), rankings, content, and transactional tools. The company also markets digital marketing technologies, such as Websites and their contents, turnkey solutions, and hosting and SEO; local programmatic advertising; and transactional tools of PagesJaunes Resto and PagesJaunes Doc. In addition, it offers printing services that include publishing, distribution, and sale of advertising space in the PagesJaunes and PagesBlanches print directories, telephone directory, and reverse directory. Further, the company is involved in voice and other activities, which comprise directory enquiry services through telephone and SMS, and QuiDonc reverse directory; and traditional direct marketing services. Additionally, it offers online advertising, mapping, and mobile Internet services. It serves retail, health and public, and services sector; and to BtoB, as well as to individuals and international customers. The company was formerly known as PagesJaunes Groupe and changed its name to SoLocal Group S.A. in June 2013. The company was founded in 1896 and is headquartered in Boulogne-Billancourt, France.
Full Speed Inc.	Full Speed Inc. provides Internet marketing support services in Japan. It offers SEO, listing and affiliate advertising, display advertisement, and social media marketing services. The company also provides SEO consulting services; social media operations consulting and advertisement services; and Website creation/management, LP banner production/management, and application development services. In addition, it offers services in the areas of advertisement effect measurement, ad technology, and healthcare marketing. The company was founded in 2001 and is headquartered in Tokyo, Japan. Full Speed Inc. is a subsidiary of FreeBit Co., Ltd.
Auto Trader Group plc	Auto Trader Group plc operates in the digital automotive marketplace in the United Kingdom and Ireland. It offers its products to retailers and home traders, and logistics firms; vehicle advertisement on its Websites for private sellers, as well as insurance and loan financing products to consumers; and display advertising on its Websites for manufacturers and their advertising agencies. The company was founded in 1977 and is headquartered in Manchester, the United Kingdom.

LatAm	
Target Company Descriptions	
Target company name	Business Description
Public Transactions - Non-Controlling	
carsales.com Ltd	carsales.com Ltd engages in online automotive, motorcycle, and marine classifieds business primarily in Australia. The company operates in five segments: Online Advertising Services; Data, Research and Services; Latin America; Asia; and Finance and Related Services. The Online Advertising Services segment provides classified advertising that allows dealers and consumers to advertise automotive and non-automotive goods and services for sale across the carsales network; and services, including subscriptions, lead fees, and priority placement services in automotive and non-automotive Websites. It also offers display advertising services, such as placing advertisements on carsales network Websites for corporate customers comprising automotive manufacturers/importers, finance and insurance companies, etc. In addition, this segment holds investments in tyresales.com.au, an online tire advertisement Website that allows consumers to transact and purchase tires; and RedBook Inspect, which provides inspection services published online as part of classified advertisements. The Data, Research and Services segment offers software, analysis, research and reporting, valuation services, and Website development and hosting, as well as photography services to manufacturers/importers, dealers, industry bodies, and finance and insurance companies. The Latin America segment is involved in the online automotive classifieds activities. The Asia segment provides online automotive classifieds and automotive data services. The Finance and Related Services segment offers finance arrangements for vehicles, boats, and other leisure items; vehicle procurement; and other related services to customers. carsales.com Ltd was founded in 1997 and is headquartered in Richmond, Australia.
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Grupo Media Capital, SGPS, S.A.	Grupo Media Capital, SGPS, S.A. engages in the production and broadcasting of television and radio programs, production and exploitation of the cinema and video sectors, and other media business in Portugal and internationally. It operates through three segments: Television, Audiovisual Production, and Radio. The Television segment broadcasts TVI, TVI 24, TVI Ficção, TVI Internacional, TVI África, TVI Reality, and TVI Player channels. The Production segment is involved in the production, realization, and audiovisual distribution; and production of programs/series and television programs made and/or broadcast in Portugal and Spain. The Radio segment operates Rádio Comercial, m80, Cidade, Smooth FM, and Vodafone FM radio stations, as well as an online radio station; and broadcasts radio programs through its own antennas. The Others segment operates iol.pt, an online directory of classified and publicity information; produces and sells music CD's; and provides agency services for artists and promotion of events. The company is also involved in the provision of production support services; realization and development of television contents, cinema, and audiovisual works, as well as other related services; production of phonograms, audiovisual, and multimedia; purchase and sale of records and other items; and acquisition and distribution of cinematographic rights. Grupo Media Capital, SGPS, S.A. was founded in 1992 and is headquartered in Barcarena, Portugal. Grupo Media Capital, SGPS, S.A. is a subsidiary of Vertix SGPS, S.A.
Axel Springer Verlag AG (nka:Axel Springer SE)	Axel Springer SE operates as a publishing company primarily in Europe and the United States. The company operates through three segments: Classifieds Media, News Media, and Marketing Media. The Classifieds Media segment operates a portfolio of online classified portals in the areas of real estate, jobs, cars, and general. This segment operates SeLogger, Immoweb, and Immowelt/Immonet real estate portals; Totaljobs, Jobsite, and Saongroup job portals; meinestadt.de, a regional portal; Traum-Ferienwohnungen and DanCenter holiday properties portal; and car and general classified ad portals, including LaCentrale and Yad2. The News Media segment offers newspapers primarily under the BILD am SONNTAG, B.Z., WELT AM SONNTAG, and DIE WELT names in Berlin and rest of Germany, as well as the FAKT name in Poland; automotive, computer, and sports magazines under the AUTO BILD, COMPUTER BILD, and SPORT BILD brand names; and a tabloid under the BLIKK name in Hungary. This segment also operates Internet portals, such as Onet.pl and azet.sk; profession.hu, a job portal; WELT, a news channel; BILD.de, a news and entertainment portal; WELT.de, a news portal; Upday, a mobile news portal; businessinsider.com; Autobild.de, a digital appearances of the magazine; and INSIDER and Business Insider portals. Its digital offerings also comprise analytics, studies, and digital market data for companies and institutions. The Marketing Media segment provides advertising services on performance or reach based marketing. The company distributes its print media primarily through press wholesale companies, station book trade, and press import companies; and digital products principally through its Web pages or download platforms, including the app stores of Apple and Google. Axel Springer SE was founded in 1946 and is headquartered in Berlin, Germany.
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LatAm	
Target Company Descriptions	
Target company name	Business Description
Public Transactions - Non-Controlling	
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Axel Springer Verlag AG (nka:Axel Springer SE)	Axel Springer SE operates as a publishing company primarily in Europe and the United States. The company operates through three segments: Classifieds Media, News Media, and Marketing Media. The Classifieds Media segment operates a portfolio of online classified portals in the areas of real estate, jobs, cars, and general. This segment operates SeLogger, Immoweb, and Immowelt/Immonet real estate portals; Totaljobs, Jobsite, and Saongroup job portals; meinestadt.de, a regional portal; Traum-Ferienwohnungen and DanCenter holiday properties portal; and car and general classified ad portals, including LaCentrale and Yad2. The News Media segment offers newspapers primarily under the BILD am SONNTAG, B.Z., WELT AM SONNTAG, and DIE WELT names in Berlin and rest of Germany, as well as the FAKT name in Poland; automotive, computer, and sports magazines under the AUTO BILD, COMPUTER BILD, and SPORT BILD brand names; and a tabloid under the BLIKK name in Hungary. This segment also operates Internet portals, such as Onet.pl and azet.sk; profession.hu, a job portal; WELT, a news channel; BILD.de, a news and entertainment portal; WELT.de, a news portal; Upday, a mobile news portal; businessinsider.com; Autobild.de, a digital appearances of the magazine; and INSIDER and Business Insider portals. Its digital offerings also comprise analytics, studies, and digital market data for companies and institutions. The Marketing Media segment provides advertising services on performance or reach based marketing. The company distributes its print media primarily through press wholesale companies, station book trade, and press import companies; and digital products principally through its Web pages or download platforms, including the app stores of Apple and Google. Axel Springer SE was founded in 1946 and is headquartered in Berlin, Germany.
Cofina, SGPS, S.A.	Cofina, SGPS, S.A. engages in the publication of newspapers and magazines in Portugal. The company offers newspapers, including Correio da Manha, a daily newspaper; Record, a daily sports newspaper; Jornal de Negocios, a daily economic newspaper; and Destak and Mundo Universitário, which are free newspapers. It also provides magazines, such as Sábado, TV Guia, Flash!, and Máxima. In addition, the company offers online newspapers, classifieds, and magazines; and graphic printing services. Further, it operates portals, including flash.pt, loja.xl.pt, passatempos.xl.pt, and xl.pt; broadcasts cmTV, a cable television channel; and nossaoposta.pt, an online gaming platform. Additionally, the company is involved in the production and creation of Websites for online business development; organization and promotion of events; and newspaper printing services. The company was founded in 1995 and is headquartered in Porto, Portugal.
Axel Springer Verlag AG (nka:Axel Springer SE)	Axel Springer SE operates as a publishing company primarily in Europe and the United States. The company operates through three segments: Classifieds Media, News Media, and Marketing Media. The Classifieds Media segment operates a portfolio of online classified portals in the areas of real estate, jobs, cars, and general. This segment operates SeLogger, Immoweb, and Immowelt/Immonet real estate portals; Totaljobs, Jobsite, and Saongroup job portals; meinestadt.de, a regional portal; Traum-Ferienwohnungen and DanCenter holiday properties portal; and car and general classified ad portals, including LaCentrale and Yad2. The News Media segment offers newspapers primarily under the BILD am SONNTAG, B.Z., WELT AM SONNTAG, and DIE WELT names in Berlin and rest of Germany, as well as the FAKT name in Poland; automotive, computer, and sports magazines under the AUTO BILD, COMPUTER BILD, and SPORT BILD brand names; and a tabloid under the BLIKK name in Hungary. This segment also operates Internet portals, such as Onet.pl and azet.sk; profession.hu, a job portal; WELT, a news channel; BILD.de, a news and entertainment portal; WELT.de, a news portal; Upday, a mobile news portal; businessinsider.com; Autobild.de, a digital appearances of the magazine; and INSIDER and Business Insider portals. Its digital offerings also comprise analytics, studies, and digital market data for companies and institutions. The Marketing Media segment provides advertising services on performance or reach based marketing. The company distributes its print media primarily through press wholesale companies, station book trade, and press import companies; and digital products principally through its Web pages or download platforms, including the app stores of Apple and Google. Axel Springer SE was founded in 1946 and is headquartered in Berlin, Germany.
AS Ekspress Grupp	AS Ekspress Grupp engages in the publishing, printing, and online media content production businesses. It operates through two segments, Media and Printing Services. The Media segment is involved in managing online news and classified portals; selling advertising banners, and other advertising space and products through its own portals; and publishing newspapers, magazines, customer publications, and books. The Printing Services segment offers printing and related services. It engages in printing magazines, newspapers, advertising materials, product and service catalogues, paperback books, and other publications. It operates in the Estonia, Scandinavia, Lithuania, Latvia, other Europe, and internationally. The company was founded in 1989 and is based in Tallinn, Estonia.

LatAm	
Target Company Descriptions	
Target company name	Business Description
Public Transactions - Non-Controlling	
Axel Springer SE	Axel Springer SE operates as a publishing company primarily in Europe and the United States. The company operates through three segments: Classifieds Media, News Media, and Marketing Media. The Classifieds Media segment operates a portfolio of online classified portals in the areas of real estate, jobs, cars, and general. This segment operates SeLoger, Immoweb, and Immowelt/Immonet real estate portals; Totaljobs, Jobsite, and Saongroup job portals; meinestadt.de, a regional portal; Traum-Ferienwohnungen and DanCenter holiday properties portal; and car and general classified ad portals, including LaCentrale and Yad2. The News Media segment offers newspapers primarily under the BILD am SONNTAG, B.Z., WELT AM SONNTAG, and DIE WELT names in Berlin and rest of Germany, as well as the FAKT name in Poland; automotive, computer, and sports magazines under the AUTO BILD, COMPUTER BILD, and SPORT BILD brand names; and a tabloid under the BLIKK name in Hungary. This segment also operates Internet portals, such as Onet.pl and azet.sk; profession.hu, a job portal; WELT, a news channel; BILD.de, a news and entertainment portal; WELT.de, a news portal; Upday, a mobile news portal; businessinsider.com; Autobild.de, a digital appearances of the magazine; and INSIDER and Business Insider portals. Its digital offerings also comprise analytics, studies, and digital market data for companies and institutions. The Marketing Media segment provides advertising services on performance or reach based marketing. The company distributes its print media primarily through press wholesale companies, station book trade, and press import companies; and digital products principally through its Web pages or download platforms, including the app stores of Apple and Google. Axel Springer SE was founded in 1946 and is headquartered in Berlin, Germany.
Axel Springer AG (nka:Axel Springer SE)	Axel Springer SE operates as a publishing company primarily in Europe and the United States. The company operates through three segments: Classifieds Media, News Media, and Marketing Media. The Classifieds Media segment operates a portfolio of online classified portals in the areas of real estate, jobs, cars, and general. This segment operates SeLoger, Immoweb, and Immowelt/Immonet real estate portals; Totaljobs, Jobsite, and Saongroup job portals; meinestadt.de, a regional portal; Traum-Ferienwohnungen and DanCenter holiday properties portal; and car and general classified ad portals, including LaCentrale and Yad2. The News Media segment offers newspapers primarily under the BILD am SONNTAG, B.Z., WELT AM SONNTAG, and DIE WELT names in Berlin and rest of Germany, as well as the FAKT name in Poland; automotive, computer, and sports magazines under the AUTO BILD, COMPUTER BILD, and SPORT BILD brand names; and a tabloid under the BLIKK name in Hungary. This segment also operates Internet portals, such as Onet.pl and azet.sk; profession.hu, a job portal; WELT, a news channel; BILD.de, a news and entertainment portal; WELT.de, a news portal; Upday, a mobile news portal; businessinsider.com; Autobild.de, a digital appearances of the magazine; and INSIDER and Business Insider portals. Its digital offerings also comprise analytics, studies, and digital market data for companies and institutions. The Marketing Media segment provides advertising services on performance or reach based marketing. The company distributes its print media primarily through press wholesale companies, station book trade, and press import companies; and digital products principally through its Web pages or download platforms, including the app stores of Apple and Google. Axel Springer SE was founded in 1946 and is headquartered in Berlin, Germany.
Axel Springer AG (nka:Axel Springer SE)	Axel Springer SE operates as a publishing company primarily in Europe and the United States. The company operates through three segments: Classifieds Media, News Media, and Marketing Media. The Classifieds Media segment operates a portfolio of online classified portals in the areas of real estate, jobs, cars, and general. This segment operates SeLoger, Immoweb, and Immowelt/Immonet real estate portals; Totaljobs, Jobsite, and Saongroup job portals; meinestadt.de, a regional portal; Traum-Ferienwohnungen and DanCenter holiday properties portal; and car and general classified ad portals, including LaCentrale and Yad2. The News Media segment offers newspapers primarily under the BILD am SONNTAG, B.Z., WELT AM SONNTAG, and DIE WELT names in Berlin and rest of Germany, as well as the FAKT name in Poland; automotive, computer, and sports magazines under the AUTO BILD, COMPUTER BILD, and SPORT BILD brand names; and a tabloid under the BLIKK name in Hungary. This segment also operates Internet portals, such as Onet.pl and azet.sk; profession.hu, a job portal; WELT, a news channel; BILD.de, a news and entertainment portal; WELT.de, a news portal; Upday, a mobile news portal; businessinsider.com; Autobild.de, a digital appearances of the magazine; and INSIDER and Business Insider portals. Its digital offerings also comprise analytics, studies, and digital market data for companies and institutions. The Marketing Media segment provides advertising services on performance or reach based marketing. The company distributes its print media primarily through press wholesale companies, station book trade, and press import companies; and digital products principally through its Web pages or download platforms, including the app stores of Apple and Google. Axel Springer SE was founded in 1946 and is headquartered in Berlin, Germany.

LatAm	
Target Company Descriptions	
Target company name	Business Description
Private (Non Listed) Transactions - Controlling	
Mitula Group Limited	Mitula Group Limited, together with its subsidiaries, owns, operates, and manages vertical search Websites. The company provides its Website visitors to search across various listings from approximately 15,000 classifieds sites, including property, employment, and automotive portals; online fashion stores; general classified sites; real estate agents; and property developers with one query. It operates 110 vertical search Websites in 52 countries and 19 languages under the Mitula, Nestoria, Nuroa, Kleding, and Fashiola brand names; and 10 property portals in 9 countries under the DotProperty and Thailand-property brand names. The company also operates 19 fashion vertical Websites in Kleding.nl brand name in the Netherlands; and the Fashiola brand name in Denmark, Australia, the United Kingdom, Germany, Austria, Sweden, France, Poland, Italy, Switzerland, Brazil, Spain, Portugal, and Belgium. Mitula Group Limited was founded in 2006 and is headquartered in Madrid, Spain. As of January 8, 2019, Mitula Group Limited operates as a subsidiary of Lifull Co., Ltd.
Trade Me Group Limited	Trade Me Group Limited, together with its subsidiaries, operates and manages an online marketplace and classified advertising platform in New Zealand. It operates through Classifieds, General Items, and Other segments. The Classifieds segment operates classified advertising sites for motors, property, and jobs. The General Items segment engages in the online marketplace business. The Other segment offers advertising, dating, payments gateway, life and health insurance comparison, and general insurance services. The company also provides new and used goods marketplace, real estate and employment, and other ancillary online services. Trade Me Group Limited was founded in 1999 and is headquartered in Wellington, New Zealand.
Mitula Group Limited	Mitula Group Limited, together with its subsidiaries, owns, operates, and manages vertical search Websites. The company provides its Website visitors to search across various listings from approximately 15,000 classifieds sites, including property, employment, and automotive portals; online fashion stores; general classified sites; real estate agents; and property developers with one query. It operates 110 vertical search Websites in 52 countries and 19 languages under the Mitula, Nestoria, Nuroa, Kleding, and Fashiola brand names; and 10 property portals in 9 countries under the DotProperty and Thailand-property brand names. The company also operates 19 fashion vertical Websites in Kleding.nl brand name in the Netherlands; and the Fashiola brand name in Denmark, Australia, the United Kingdom, Germany, Austria, Sweden, France, Poland, Italy, Switzerland, Brazil, Spain, Portugal, and Belgium. Mitula Group Limited was founded in 2006 and is headquartered in Madrid, Spain. As of January 8, 2019, Mitula Group Limited operates as a subsidiary of Lifull Co., Ltd.
Auction123, Inc.	Auction123, Inc. provides Website development, inventory management, and online marketing solutions. The company develops professional dealer and mobile marketing Website solutions; inventory management solutions include inventory enhancement tools, inventory imports and data population, and window stickers and buyers guides; and inventory marketing services include online classifieds and data distribution, eBay motors integration, craigslist posting tools, and Facebook inventory marketing. It serves dealerships of various categories, including automotive, RVs and campers, powersports, motorcycles, marines, commercial trucks, and aircrafts. The company was founded in 2001 and is based in Weston, Florida. As of November 1, 2016, Auction123, Inc. operates as a subsidiary of ARI Network Services Inc.
Réseau LesPAC Inc.	Réseau LesPAC Inc. operates an online classified advertising portal. The company was founded in 1996 and is based in Longueuil, Canada. As of June 11, 2019, Réseau LesPAC Inc. operates as a subsidiary of TRADER Corporation.
Trader Classified Media N.V, Western European and Latin American Business	As of July 14, 2006, Western European and Latin American Business of Trader Classified Media N.V was acquired by Schibsted ASA. Trader Classified Media N.V, Western European and Latin American Business comprises of InfoJobs.net, which provides online recruitment services and Segundamano, which offers classified services based in Spain. The business also includes La Centrale, which is a classified weekly national publication specializing in the automotive and real estate sectors and J'annonce, a weekly free classified ads paper based in France. In addition, the business includes Secondamano, which offers classified services in Italy. Trader Classified Media N.V is based in Amsterdam, The Netherlands.
Truvo Luxembourg S.à r.l.	Truvo Luxembourg S.à r.l., through its subsidiaries, publishes directories internationally. It provides local search and advertising services via print directories, the Internet, CD-ROMS, number information services, and mobile telephony. It publishes printed and online directories, such as classified directories listing local businesses classified by the products and services they provide; white pages/business pages that lists individuals, businesses, or both in alphabetical order within a specific region; and local/sub-regional directories. The company provides voice and Web services; and develops search applications for mobile devices. It connects the consumer to relevant service providers nearby for assisting them in finding answers and making informed purchase decisions; and helps businesses to generate sales leads within their local communities. It also offers digital marketing support through search engine marketing services to help businesses track and interpret the traffic to their web campaign or site. Truvo Luxembourg S.à r.l. was formerly known as World Directories S.à r.l. and changed its name to Truvo Luxembourg S.à r.l. in May, 2007. The company was incorporated in 2004 and is based in Luxembourg, Luxembourg. Truvo Luxembourg S.à r.l. is a former subsidiary of Nielsen Holdings plc.
Blue Hill Media, Inc.	Blue Hill Media, Inc., doing business as Ministry Values for Growing Churches, is a church direct mail marketing company in the United States that provides Card-Deck mailings to 300,000 churches six times annually. It is an online source of education, news, classifieds, and other resources for church leaders. All records include the church address. The company is based in Alexandria, Virginia. As of July 31, 2003, Blue Hill Media, Inc. is a subsidiary of Denim Apparel Group Inc.

LatAm	
Target Company Descriptions	
Target company name	Business Description
Private (Non Listed) Transactions - Non-Controlling	
Zhaopin Limited	Zhaopin Limited, through its subsidiaries, operates online recruitment platform in China. It operates zhaopin.com, a career-focused Website that provides online recruitment services, including classified job postings and display advertisements, resume access, and other online value-added recruitment services, as well as mobile applications. The company also offers campus recruitment services, such as selecting campuses, organizing recruiting events, collecting and managing resumes, and conducting interviews and assessment tests with potential candidates; and online and offline assessment services. In addition, it provides executive search services for mid-level professional, managerial, and junior executive positions; and online and offline education and training services to other enterprises and their employees, as well as operates highpin.cn for high-end employment positions in various industries, including information technology, financial services, real estate, automotive, and consumer products. It serves multinational corporations, small and medium-sized enterprises, and state-owned entities. The company was formerly known as Zhaopin.com Limited and changed its name to Zhaopin Limited in 2002. Zhaopin Limited was founded in 1994 and is headquartered in Beijing, in China. As of September 29, 2017, Zhaopin Limited was taken private.
Netgraphe Inc.	Netgraphe, Inc. offers e-commerce, information, communication, and information technology consulting services in Canada. The company owns the CANOE network, which includes Canoe.ca, Canoe.qc.ca, La Toile du Québec, Webfin.com, and Megagiciel.com. It also operates a string of e-commerce sites providing general Internet services, such as general information, practical content, and financial and market information; and employment, automobiles, dating, online shopping, classifieds, and search engine services. In addition, the company offers information technology consulting services in e-commerce, outsourcing, integration, and secure transaction environments. The company was incorporated in 1981 as Ressources Mon-Dor, inc. and changed its name to Mon-Dor Explorations, Inc. in 1984. Later, it changed its name to Cristobal Resources, Inc. in 1988 and to Netgraphe, Inc. in 1999. Netgraphe, Inc. operates as the subsidiary of Quebecor Media, Inc., as of September 15, 2004.
Schibsted Norge ASA	Schibsted Norge ASA operates as a media company in Norway. The company offers non-subscription, subscription, daily, and online newspapers; distributes newspapers and printed material; and operates Finn.no, an online classifieds Website, as well as develops and provides advertising solutions through paper, the Internet, and mobile communication. It is also involved in publishing books, including fictions, non-fictions, annuals, children's literature, travel guides, language courses, and light fiction series; cartoon series; and food and interior magazines, as well as in importing and selling foreign books. The company was formerly known as Media Norge ASA and changed its name to Schibsted Norge ASA in 2012. The company is headquartered in Bergen, Norway. Schibsted Norge ASA is a subsidiary of Schibsted Media Group.
Schibsted Classified Media Spain	Schibsted Classified Media Spain operates media house and online classifieds. The company manages the following online classified sites: Segundamano.es, Coches.net, Fotocasa.es, InfoJobs.net, and Milanuncios.com. The company is based in Spain. Schibsted Classified Media Spain operates as a subsidiary of Schibsted ASA.

Source: Capital IQ

Appendix 6 – Cost of Equity

We calculated the cost of equity using the Capital Asset Pricing Model (“**CAPM**”) as summarised in the formula below:

$$K_e = R_f + \beta * (R_m - R_f) + SRP$$

Where:

Rf	=	Risk free rate of return, typically based on long-term government bond rates
β	=	Beta of the asset being valued, being the sensitivity of its returns to the returns generated by the market
Rm	=	The expected return on the market
SRP	=	Small size / specific risk premium, reflecting factors not captured by the beta

In applying the CAPM, we adopted the following variables:

- **Rf:** 1%, being the 2-year Australian Government Bond rate as at the Valuation Date;
- **Beta:** refer below;
- **[Rm – Rf] or Market Risk Premium (“MRP”):** 7.0%, being within the range of the generally accepted long term MRP for Australia⁴ and reflecting the current low interest rate environment; and
- **Specific risk premium (“SRP”):** 2% to 3% reflecting specific risks relating to LatAm.

⁴ A range of empirical studies indicate the MRP for Australia is generally in the range of 5.0 to 8.0%. Additionally, in recent years it has been common market practice in Australia in Expert’s reports and regulatory decisions to adopt a MRP of 6.0% to 7.0%. Taking this in to account and the current low interest rate environment, we adopted a MRP of 7.0%. Source: Recent studies undertaken by the Centre for Research in Finance at the Australian Graduate School of Management, Morningstar Inc, ABN AMRO/London Business School and Aswath Damodaran.

Beta Assessment

Beta is a measure of the systematic risk of a company's investments which cannot be diversified away, measured against the market portfolio.

A company's systematic risk is impacted by the level of gearing employed by the company. Analysis and adjustments can be made to estimate the impact of gearing on a company's observed (equity) beta. This process is referred to as un gearing the beta or calculating the asset beta.

Summarised below are size metrics and betas of Australian and Globally listed companies:

LatAm Comparable Company Betas						
Company Name	Market cap (AUDm)	Revenue (AUDm)	Equity Beta Adopted	Avg debt to EV	Avg debt to Equity	Asset Beta
REA Group Limited	12,058	941	1.2	2.3%	2.4%	1.2
SEEK Limited	6,765	1,442	1.0	14.6%	17.1%	0.9
carsales.com Ltd	3,392	478	1.1	8.5%	9.2%	1.1
Domain Holdings Australia Limited	1,621	356	n/m	3.8%	3.9%	n/m
iCar Asia Limited	81	12	0.9	0.0%	0.0%	0.9
Hotcopper Holdings Limited	17	5	n/m	0.0%	0.0%	n/m
Yandex N.V.	17,938	3,396	0.8	4.4%	4.6%	0.8
58.com Inc.	11,572	2,874	1.2	2.2%	2.2%	1.2
Autohome Inc.	13,612	1,661	1.0	0.0%	0.0%	1.0
Auto Trader Group plc	8,748	651	0.5	9.4%	10.3%	0.5
Scout24 AG	9,081	910	n/m	11.4%	12.9%	n/m
Bitauto Holdings Limited	1,211	2,339	n/m	50.6%	102.5%	n/m
CarGurus, Inc.	6,591	749	1.2	0.3%	0.3%	1.2
Cars.com Inc.	901	907	1.0	22.1%	28.3%	0.8
MarkLines Co., Ltd.	325	30	1.0	0.0%	0.0%	1.0
Recruit Holdings Co., Ltd.	83,264	30,959	1.1	4.1%	4.3%	1.1
Adecco Group AG	12,906	38,448	0.8	20.8%	26.2%	0.7
Average			1.0	9.1%	10.0%	1.0

Source: Capital IQ

Based on the average of the observed betas, we adopted an asset (or ungeared) beta of 1.0 for LatAm.

Based on an analysis of the capital structures of the comparable companies, as well as an assessment of the ability of LatAm to borrow in the medium term, we adopted a debt to EV ratio for LatAm of 10%, which equates to a debt to equity ratio of 11%.

Accordingly, we calculated an equity (or re-gearred) beta for LatAm of 1.0, excluding specific risk premiums.

Cost of Equity

Summarised in the table below is the post-tax Cost of Equity calculation:

LatAm Cost of Equity		
	Low	High
Post-tax cost of equity		
Risk free rate	1.0%	1.0%
Implied equity beta	1.0	1.0
Market risk premium	7.0%	7.0%
Specific risk premium	2.0%	3.0%
Post-tax cost of equity	10.2%	11.2%



All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (AEDT) on Tuesday 29 October 2019.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/latamgm2019>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (AEDT) on Tuesday 29 October 2019.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

🖥 **Online** <https://www.votingonline.com.au/latamgm2019>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address
 This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.
Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Latam Autos Limited (Company)** and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at **Collins Square, Kennedy Room, Level 22, Tower 5, 727 Collins Street, Melbourne VIC 3008 on Thursday, 31 October 2019 at 10:00am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 3, 4, 6, 7, 8, 10, 11(a) & 11(b), I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 3, 4, 6, 7, 8, 10, 11(a) & 11(b) are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 3, 4, 6, 7, 8, 10, 11(a) & 11(b)). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS
 * If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		FOR	AGAINST	ABSTAIN*			FOR	AGAINST	ABSTAIN*
Res 1	Ratification of Placement of Shares to Professional and Sophisticated Investors (Non-Related Parties)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 7	Approval of Issue of Shares and attaching Options to Log Creek Pty Ltd (A.C.N. 100 874 851), an entity that is controlled by Mr Michael Fitzpatrick, Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 2	Approval of Issue of Attaching Options to Professional and Sophisticated Investors (Non-Related Parties)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 8	Approval to amend the terms of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 3	Approval of Issue of Shares and Attaching Options to Mr Joe Hanna, a Director of the Company, or his Nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 9	Approval of Options to Joint Lead Managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 4	Approval of Issue of Shares and Attaching Options to Startive Ventures Inc., an entity controlled by Mr Simon Clausen, a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 10	Increase in Aggregate Non-Executive Director Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 5	Approval of Issue of Shares and Attaching Options to Professional and Sophisticated Investors (Non-Related Parties) following Redemption of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 11(a)	Approval of Proposed Issue of Fully Paid Ordinary Shares to a Director - Mr Joe Hanna (or his nominees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 6	Approval of issues of Shares and Attaching Options to Startive Ventures Inc., an entity that is controlled by Mr Simon Clausen, Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 11(b)	Approval of Proposed Issue of Fully Paid Ordinary Shares to a Director - Mr Donald Cahill (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1 <div style="border: 1px solid black; height: 30px; margin: 5px 0;"></div> Sole Director and Sole Company Secretary	Securityholder 2 <div style="border: 1px solid black; height: 30px; margin: 5px 0;"></div> Director	Securityholder 3 <div style="border: 1px solid black; height: 30px; margin: 5px 0;"></div> Director / Company Secretary
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