

**LatAm Autos Limited**  
**(ACN 169 063 414)**

**PROSPECTUS**

This Prospectus is being issued for a pro rata, non-renounceable offer of two (2) New Shares for every seven (7) Shares held by Eligible Shareholders at the Record Date at an issue price of 3 cents (\$0.03) per New Share to raise approximately \$5.1 million before issue costs.

**Valid acceptances must be received by  
5:00 pm (Melbourne time) on 28 April 2020**

**Important Notice**

This document is important and should be read in its entirety. After reading this Prospectus, if you have any questions about the New Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The New Shares offered under this Prospectus should be considered highly speculative.

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## IMPORTANT INFORMATION

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This Prospectus is dated 7 April 2020 and a copy was lodged with ASIC and given to ASX on that date.

Neither ASIC nor ASX take responsibility for the content of this Prospectus. Subject to the requirements of the Corporations Act and the Listing Rules, the Directors of the Company reserve the right to close the Offer earlier than the timetable set out in this Prospectus or vary any of the important dates set out in this Prospectus without prior notice, including extending the closing date of the Offer. No securities will be allotted or issued on the basis of this Prospectus after the expiry date of this Prospectus, which cannot be later than 13 months after the date of this Prospectus. The expiry date of this Prospectus is 7 April 2021.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus does not include all information that would be included in a prospectus for an initial public offering.

This Prospectus should be read in its entirety. The risks associated with investing in the Company are significant and potential investors should carefully consider those risks and seek professional advice before deciding whether to invest. The risks associated with the Offer which the Company has identified are set out in Section 4 of this Prospectus and should be read carefully. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser.

Important capitalised terms and phrases used in this Prospectus are defined in the glossary in Section 9. Unless otherwise stated, a monetary reference in this prospectus is a reference to Australian currency.

### **Disclaimers**

Any forecast or any forward looking statement contained in this Prospectus may involve significant elements of subjective judgment and assumption as to future events which may or may not be correct, and there are usually differences between forecasts and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Nothing contained in this Prospectus is, or may be relied on as, a promise or representation as to the future. Neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Prospectus, except as required by law and then, only to the extent so required.

No person has been authorised to give information or to make any representation in connection with the Offer or this Prospectus which is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Company in connection with the Offer or this Prospectus.

The information in this Prospectus does not constitute a securities recommendation or financial product advice, and does not purport to constitute all the information that you may require to enable you to evaluate effectively and completely whether to take up your Entitlement or any New Shares under the Offer. In preparing this Prospectus, the Company has not taken into account the investment objectives, financial situation or particular needs of any particular person. Accordingly, before acting on this

Prospectus, you should assess whether a further investment in the Company would be appropriate in light of your own financial circumstances.

Except to the extent prohibited by law, the Company, its officers, employees and advisers disclaim all liability that may otherwise arise due to any of this information being inaccurate or incomplete.

### **Publicly available information**

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website, [www.asx.com.au](http://www.asx.com.au)). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer made under this Prospectus. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in Shares or the Company.

### **Obtaining a copy of this Prospectus**

Additional copies of this Prospectus are available from the registered office of the Company during normal business hours. A copy of the Prospectus can be downloaded from the website of the Company at [www.latamautos.com](http://www.latamautos.com), or the website of ASX at [www.asx.com.au](http://www.asx.com.au). Any person accessing the electronic version of the Prospectus for the purposes of making an investment in the Company must be a resident of Australian or New Zealand and must only access the Prospectus from within Australia or New Zealand.

The Prospectus available on the Company's website does not include an Entitlement and Acceptance Form. Eligible Shareholders wishing to take up their Entitlement should complete the paper copy of the personalised Entitlement and Acceptance Form which accompanies a paper copy of this Prospectus.

The Corporations Act prohibits any person passing onto another person the Entitlement and Acceptance Form unless it is attached to a hard copy of the Prospectus or it accompanies the complete and unaltered version of the Prospectus. Any person may obtain a hard copy of the Prospectus free of charge by contacting the Company (or downloading it from the Company's website).

### **International Shareholders**

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Refer to Section 1.11 for treatment of International Shareholders. Applications for New Shares (including New Shares forming the Shortfall) offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or an Entitlement and Acceptance Form which accompanies this Prospectus.

### **Contact details**

If you have any query or question about the Offer or this Prospectus, you may contact the company secretary, Melanie Leydin, by telephone on +61 3 9692 7222, by facsimile on +61 3 9077 9233 or by email at [mleydin@leydinfreyer.com.au](mailto:mleydin@leydinfreyer.com.au), or the Company's share registrar, Boardroom Pty Limited, as follows:

Telephone: 1300 737 760 (within Australia)  
+61 2 9290 9600 (outside Australia)  
between 8:30 am and 5:00 pm (Melbourne time) Monday to Friday

**INDICATIVE TIMETABLE\***

<b>EVENT</b>	<b>DATE</b>
Announcement of Offer and appendix 3B provided to ASX	Wednesday 26 February 2020
Prospectus lodged with ASIC and copy provided to ASX	Tuesday 7 April 2020
Application made to ASX for quotation of New Shares (by lodging Appendix 3B)	Tuesday 7 April 2020
<b>Record date</b> to determine Entitlements under Offer	<b>Wednesday 15 April 2020 at 5:00 pm (Melbourne time)</b>
Offer documents and personalized Entitlement and Acceptance Forms dispatched to Eligible Shareholders Offer opens	Friday 17 April 2020
Notify ASX of any change to exercise price of existing Options due to proposed issue of New Shares under Offer	Friday 17 April 2020
<b>Offer closes</b>	<b>Tuesday 28 April 2020 at 5:00 pm (Melbourne time)</b>
Shares commence quotation on a deferred settlement basis	Wednesday 29 April 2020
Notify ASX of the results of the rights offer, and Perennial and Log Creek of any Shortfall	Thursday 30 April 2020
Issue New Shares applied for under Offer and any Shortfall (other than the proportion of Shortfall subscribed for by Perennial) and underwriting (and notify ASX that this has been done by lodging Appendix 2A)	Monday 4 May 2020 before noon (Melbourne time)
Deferred settlement trading ends	Monday 4 May 2020
Despatch holding statements	Tuesday 5 May 2020
LAA removed from the official list of ASX	Tuesday 5 May 2020
Issue New Shares which make up the proportion of the Shortfall subscribed for by Perennial	Wednesday 6 May 2020

\* Note: These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to change any date including to extend the closing date of the Offer, to close the Offer early, to accept late acceptances either generally or in particular cases, or to withdraw or reduce the size of the Offer without notice. Any extension of the closing date will have a consequential effect on the issue date of new shares. If the Offer is withdrawn, application money will be returned without interest.

## CHAIRMAN'S LETTER

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Dear Shareholder

On behalf of the Directors of the Company, I am pleased to invite all Eligible Shareholders to participate in the pro rata, non-renounceable rights offer of two (2) New Shares for every seven (7) Shares, as described in this Prospectus. The offer price for each New Share is \$0.03, which represents:

- a premium of 30% to the closing sale price on ASX of Shares in the Company of \$0.023 on Monday 6 April, the day prior to the date of this Prospectus;
- a premium of 25% to the closing sale price on ASX of Shares in the Company of \$0.024 on 31 January 2020, being the last trading day before the Company moved into voluntary suspension;
- a premium of 9.2% to the volume weighted average price of sales on ASX of Shares in the Company over the 30 days ended on 31 January 2020.

The New Shares to be issued under the Offer will be issued on a fully paid basis and will rank equally from the date of their issue with the existing fully paid ordinary shares in the Company.

### Details of the Offer

Under the Offer, the Company aims to raise approximately \$5.1 million from the issue of approximately 169 million New Shares. The funds raised under the Offer will be applied to the Company's ongoing working capital expenditure, and the costs associated with the Offer and the recently announced De-Listing and Minimum Holding Buy-Back facility.

The Offer is made only to those Shareholders whose registered address is in Australia or New Zealand as at 5.00 pm (AEST time) on Wednesday 15 April 2020. Shareholders whose registered address is not in Australia or New Zealand, or who become registered holders of Shares in the Company after the Record Date, are not eligible to participate in the Offer.

An Entitlement and Acceptance Form setting out your Entitlements accompanies the hard copy of this Prospectus.

Eligible Shareholders who apply for their full Entitlement will also have the opportunity to apply for additional New Shares in any Shortfall at the same price of \$0.03 each. There is no guarantee of the number of New Shares forming the Shortfall (if any) that will be available to Eligible Shareholders and the allocation of those New Shares forming the Shortfall among applicants will be at the discretion of the Board of Directors of the Company in accordance with the policy described in section 1.3 of this Prospectus.

Eligible Shareholders who do not take up their Entitlement in full may, as a result of this Offer, have their percentage shareholding in the Company diluted.

Existing Shareholders, namely Log Creek (an entity controlled by me) and Perennial, have agreed to pre-commit to take up entitlements, to subscribe for Shortfall shares and/or to underwrite any Shortfall. The commitments that have been received in respect of the Rights Offer mean that the Company is confident of being able to raise approximately \$5.1 million in the event that the De-Listing proceeds as planned, securing the near term future of the Company.

Further details of the underwriting and pre-commitment arrangements are set out in section 1.5 of this Prospectus.

## **De-Listing and Minimum Holding Buy Back Facility**

I would like to take this opportunity to remind you of two other important developments with respect to the Company.

On 31 March 2020 the Company announced that the removal of the securities of the Company from the official list of ASX was approved at a general meeting of the Company held on 31 March 2020. It is anticipated that the De-Listing will occur on 5 May 2020. Investors should note that following the De-Listing, Shares and Options in the Company will only be capable of sale by private transaction. There will be no formal securities market or exchange in place to allow investors to dispose of their holdings following the De-Listing. Further, the Listing Rules will cease to apply to the Company after the De-Listing.

In connection with the De-Listing, the Company announced on 26 February 2020 that it would undertake a Minimum Holding Buy-Back to provide a liquidity facility for Shareholders holding parcels of Shares that are less than a marketable parcel i.e. a parcel of Shares worth less than \$500 based on the last ASX closing sale price of the Shares before the date of the announcement of the facility. In accordance with the Constitution of the Company, this facility operates on an 'opt out' basis, meaning that Shareholders who hold less than a marketable parcel of Shares need to give notice to the Company prior to Friday 10 April 2020 (being Good Friday) that they wish to retain their Shares. This offer was made to 686 Shareholders, who collectively held over 5 million Shares in the Company.

Further information about the Offer is set out in this Prospectus, which you should read in its entirety before deciding whether to participate in the Offer.

If you have any questions regarding the Offer please telephone the Company on +61 3 9692 7222.

I thank all our Shareholders for their continued support and encourage you to take up your Entitlement under the Offer to enable you to fully participate in the Company's future growth and success.

Yours faithfully,



**Michael Fitzpatrick**

Chairman

## **SECTION 1     DETAILS OF THE OFFER**

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This Section provides details of the Offer made under this Prospectus. Before deciding whether to apply for New Shares under this Prospectus, you should read this Prospectus in its entirety.

### **1.1.     Offer**

The Offer is a pro rata, non-renounceable offer of two (2) New Shares for every seven (7) Shares held by Eligible Shareholders at the Record Date at an issue price of 3 cents (\$0.03) per New Share to raise approximately \$5.1 million, before issue costs.

Approximately 169 million New Shares in the Company are being offered under the Offer (increasing the share capital of the Company by approximately 28.4%). New Shares will rank equally with existing Shares. The terms and conditions of the New Shares are set out in Section 5. An Entitlement and Acceptance Form setting out Eligible Shareholders' Entitlements accompanies the hard copy of this Prospectus distributed to Eligible Shareholders.

Calculation of any Eligible Shareholder's fractional Entitlements will be rounded up to the nearest whole number. Holdings of an Eligible Shareholder on different registers (or sub-registers) will not be aggregated for the purpose of calculating Entitlements.

As the Offer is non-renounceable an Eligible Shareholder's rights to subscribe for their Entitlement to New Shares under the Offer are not able to be sold, traded or transferred. Any part of an Entitlement that is not accepted by you will lapse. Eligible Shareholders who take up their Entitlement in full will not have their percentage shareholding in the Company diluted as a result of the Offer. Eligible Shareholders who do not take up their Entitlement in full may, as a result of this Offer, have their percentage shareholding in the Company diluted.

### **1.2.     Eligibility of Shareholders for the Offer**

The Offer is made only to those Shareholders whose registered address is in Australia or New Zealand as at 5.00 pm (AEST time) on the Record Date.

Shareholders whose registered address is not in Australia or New Zealand, or who become registered holders of Shares in the Company after the Record Date, are not eligible to participate in the Offer.

### **1.3.     Shortfall**

It is a term of the Offer that if not all of the Entitlement rights are taken up and there is consequently a Shortfall, those Eligible Shareholders who subscribe for their full Entitlement under the Offer will also have the opportunity to apply for additional New Shares in the Shortfall at the same price of \$0.03 each. Eligible Shareholders are invited to apply for additional New Shares in the Shortfall by completing the section of the personalised Entitlement and Acceptance Form which deals with the New Shares forming the Shortfall. Section 7.3 of this Prospectus provides further information regarding applications for New Shares forming the Shortfall. Applications must be submitted prior to the Closing Date together with payment in full for the number of New Shares forming the Shortfall applied for.



### *Allocation of New Shares forming the Shortfall*

Allocation of any New Shares forming the Shortfall will be at the discretion of the Board of Directors of the Company (or their delegate for this purpose) in accordance with the following policy:

- (a) If the Company receives applications from Eligible Shareholders for New Shares forming the Shortfall that would not result in the Offer being oversubscribed then the Company will, subject to the other terms of this policy, allocate those New Shares forming the Shortfall to the Eligible Shareholders who applied for them.
- (b) If the Company receives applications for New Shares forming the Shortfall that would result in the Offer being oversubscribed then the Company will not accept such oversubscriptions and will reject or scale back applications in a manner that the Board determines will result in the Eligible Shareholders who applied for the New Shares forming the Shortfall being allocated the number of New Shares forming the Shortfall that best approximates a pro rata allocation of those New Shares by reference to their respective shareholding on the Record Date, provided that any such allocation will be in the ultimate discretion of the Board of Directors of the Company and provided that no Eligible Shareholders are to be allocated more New Shares forming the Shortfall than they applied for.
- (c) New Shares forming the Shortfall (other than those New Shares forming part of the Shortfall which Perennial has pre-committed to subscribe for) will be issued at the same time as all other New Shares are issued under the Offer.
- (d) The Company will not allocate or issue New Shares forming the Shortfall where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law. Eligible Shareholders wishing to apply for New Shares forming the Shortfall must consider whether the issue of those New Shares applied for would breach the Corporations Act or the Listing Rules having regard to their own circumstances.
- (e) If the Company does not receive applications for all of the New Shares forming the Shortfall, then any remaining New Shares forming the Shortfall will be required to be subscribed for by Perennial in accordance with the pre-commitment and arrangements described in Section 1.5.
- (f) The Directors of the Company (or their delegate for this purpose) reserve the right if there are still New Shares forming the Shortfall that have not been applied for to place or otherwise issue them at their discretion (but at not less than the price under the Offer), however if any such New Shares are unable to be placed within 5 business days from the close of the rights offer, a portion of the remaining New Shares will be required to be subscribed for by Log Creek as part of the underwriting arrangements described in Section 1.5.

### *Return of surplus application money*

Application money received but not applied towards subscriptions for New Shares forming the

Shortfall will be refunded as soon as reasonably practicable following the allocation of those New Shares. No interest will be paid on application money held and returned.

*No certainty regarding allocations*

As a consequence of the arrangements described above, there can be no guarantee of the number of New Shares forming the Shortfall available to Eligible Shareholders. Eligible Shareholders and other applicants who apply for New Shares forming the Shortfall Offer will be bound to accept any lesser number of New Shares forming the Shortfall allocated to them in accordance with the allocation procedure described above.

**1.4. No Minimum Subscription**

There is no minimum subscription requirement for the Offer.

**1.5. Pre-commitments and Underwriting**

Perennial, a key shareholder in the Company, has agreed to subscribe for (including under the Shortfall) up to \$1,900,000 worth of New Shares (subject to scale back where total subscriptions for New Shares under the Shortfall facility exceed the maximum available New Shares offered under the Offer), subject to:

- (a) the New Shares being subscribed for by Perennial in two tranches:
  - (i) Perennial's Entitlement under the offer, which will be subscribed for prior to the Closing Date; and
  - (ii) Perennial's participation in the Shortfall, which will be subscribed for on the 5<sup>th</sup> business day following the closing date of the Offer; and
- (b) Perennial not holding more than:
  - (i) prior to De-Listing, a relevant interest in 14.99% of the issued voting shares in the Company; or
  - (ii) following De-Listing, a relevant interest in 20% of the issued voting shares in the Company.

This amounts to a commitment to subscribe for approximately 63 million New Shares.

The commitment deed provides that Perennial may terminate its commitment, and thereby be released from its obligations, if certain events occur, including if the Company does not despatch offers under the Prospectus to Eligible Shareholders by 23 April 2020.

Log Creek, an entity controlled by Company chairman Mike Fitzpatrick, has also committed to fully subscribe for its Entitlements under the Offer. Further, Log Creek has agreed to underwrite the Offer by subscribing for additional shares remaining after the allocation of any Shortfall (to Perennial or others) to the extent that the total amount of New Shares subscribed for by or on behalf of Log Creek (including through its participation in the Offer and through underwriting) does not exceed the lesser of:

- (a) \$3,175,000 (potentially up to approximately 106 million New Shares); or

- (b) the amount by which the maximum amount that could be raised under the Offer exceeds total subscriptions received from Eligible Shareholders (including both tranches of subscriptions from Perennial), including for any Shortfall.

The commitment and underwriting deed provides that Log Creek may terminate the deed, and thereby be released from its obligations to subscribe for New Shares, if certain events occur, including if the Company does not despatch offers under the Prospectus to Eligible Shareholders by 23 April 2020.

Neither Log Creek or Perennial have received any fee with respect to the commitment or underwriting deeds. There are no further significant events that could lead to the termination of either of the deed.

#### **1.6. Custodians and Nominees**

The Offer is being made to all Eligible Shareholders. The Company is not required to determine whether or not any Eligible Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares.

Where any registered holder that qualifies as an Eligible Shareholder is acting as a nominee for a foreign person, that registered holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

Any person in the United States or any person that is, or is acting for the account or benefit of a U.S. person with a holding through a nominee may not participate in the Offer and the nominee must not take up any Entitlement or send any materials to the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person.

#### **1.7. Closing Date and Payment for New Shares**

The Closing Date for the Offer is 5:00pm (AEST) on Tuesday 28 April 2020.

Cheques must be drawn in Australian currency on an Australian bank and made payable to 'LatAm Autos Limited' and crossed 'Not Negotiable'. Applicants are asked not to forward cash or postal notes by mail. Receipts for payment will not be issued.

Eligible Shareholders may submit payments for New Shares applied for using BPAY®. In order to use BPAY®, please follow the instructions set out on the Entitlement and Acceptance Form. If you make payment by BPAY®, you do not need to return your Entitlement and Acceptance Form.

*Cheques will be returned if New Shares are not issued or any application for New Shares is not accepted.*

#### **1.8. Allotment of New Shares**

New Shares will be allotted and issued as soon as practicable after the Closing Date of the Offer, in accordance with Listing Rules and indicative timetable as set out in page (iii) of this Prospectus. Holding statements for all New Shares allotted shall be dispatched as soon as practicable in accordance with the Listing Rules after the Closing Date.

Until the allotment and issue of the New Shares under this Prospectus, application monies will be held by the Company in trust in a separate bank account maintained for that purpose only. Any interest earned on application monies will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place.

### **1.9. ASX Quotation**

Other than in respect of Perennial's commitment to subscribe for Shortfall, the Company will apply to ASX for the New Shares to be granted Official Quotation within 7 days of the date of this Prospectus (prior to 14 April 2020). However investors should note that following the De-Listing (which is anticipated to occur on 5 May 2020), Shares in the Company will only be capable of sale by private transaction. There will be no formal securities market or exchange in place to allow investors to dispose of their holdings following the De-Listing. This may present difficulties to investors who wish to sell their Shares after that date as the Company does not intend to manage or facilitate a market for the sale of its Shares.

The ASX takes no responsibility for the contents of this Prospectus.

### **1.10. CHESS System**

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). ASX Settlement and Transfer Corporation Pty Limited (ACN 008 504 532) (**ASTC**), a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Shareholders will not receive certificates for their New Shares but will receive a statement of their holdings indicating the allotment of their New Shares pursuant to their acceptance of the Offer made under this Prospectus.

Shareholders who are broker-sponsored will receive a CHESS statement from ASTC.

Shareholders registered under the issuer sponsored subregister will receive a statement from Boardroom Pty Limited.

Following De-Listing the Company will move to a certificated register, and you will be provided with a share certificate stating your holding in due course.

### **1.11. International Shareholders (other than New Zealand)**

This Offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Shareholders who do not have a registered address in Australia or New Zealand are not eligible to participate in the Offer. The laws of jurisdictions outside of Australia and New Zealand may restrict the distribution of this Prospectus. Anyone who comes into possession of this Prospectus outside Australia or New Zealand should seek advice on and observe any such restrictions. A failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company is of the view that it is unreasonable to extend the Offer to Shareholders with registered addresses outside Australia or New Zealand, having regard to:

- the small number of Shareholders with registered addresses outside Australia and New Zealand;
- the number and value of the New Shares which would be offered to ineligible Shareholders; and
- the cost of complying with the legal requirements and requirements of the regulatory authorities, in the respective overseas jurisdictions.

In particular, this Prospectus does not constitute an offer for sale or issue of the New Shares or any right to a security into the United States or to U.S. persons. The New Shares have not been, and will not be, registered under the U.S. Securities Act and must not be offered or sold within the United States or to U.S. persons unless they are registered under the U.S. Securities Act or an exemption from the registration required of the U.S. Securities Act is available.

Eligible Shareholders holding Shares on behalf of persons who are resident outside Australia and New Zealand are responsible for ensuring that participation in the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form or payment by BPAY® will constitute a representation that there has been no breach of such regulations. Shareholders who are nominees are therefore advised to seek independent advice as how they should proceed. Where the Offer has been dispatched to a Shareholder domiciled outside Australia or New Zealand and where the country's securities code or legislation prohibits or restricts in any way the making of the offers contemplated by this Prospectus, the Prospectus is provided for information purposes only.

Each applicant for new shares warrants and represents that they:

- are an Australian or New Zealand citizen or resident in Australia or New Zealand;
- are located in Australia or New Zealand at the time of the application and is not acting for the account or benefit of any person in the United States or any other foreign person; and
- will not offer or sell the New Shares in the United States or in any other jurisdiction outside Australia or New Zealand, or to a United States person, except in transactions exempt from registration under the US Securities Act 1933 as amended, and in compliance with all applicable laws in the jurisdiction in which the New Shares are offered and sold.

#### **1.12. New Zealand securities law requirements**

The New Shares are not being offered or sold to the public within New Zealand other than to Eligible Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

Members of the public in New Zealand who are not existing shareholders of the Company on the Record Date are not entitled to apply for any shares pursuant to this Offer.

This offer statement has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is

not an investment statement or prospectus in accordance with New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus prepared in accordance with New Zealand law is required to contain.

#### **1.13. Costs of participation**

No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and allotment of, New Shares under this Prospectus.

#### **1.14. Issue Expenses**

The estimated expenses of the Offer, including the corporate adviser fees, professional fees, registry services and printing and postage are approximately \$0.2 million.

#### **1.15. Application of Funds Raised**

The purpose of the Offer is to raise funds for the purposes of meeting the Company's working capital expenditure requirements and costs associated with the Offer and the De-Listing and the Minimum Holding Buy-Back facility.

Shareholders are strongly urged to read Sections 2 and 3 of this Prospectus carefully so as to better understand the purpose of the Offer, how the funds to be raised under the Offer will be applied, the key assumptions involved and the potential impact the new funding will have on the Company's future growth and enterprise value.

#### **1.16. Discretions**

Without limiting the other powers and discretions set out in this Prospectus, the Directors of the Company (or their delegate for this purpose) may implement the Offer in the manner they think fit and settle any difficulty, anomaly or dispute which may arise either generally or in a particular case in connection with, or by reason of, the operation of the Offer or a matter in this Prospectus, as they think fit, whether generally or in relation to any Shareholder or any Shares, and the determination of the Directors (or their delegate) is conclusive and binding on all relevant Shareholders and other persons to whom the determination relates.

#### **1.17. Taxation**

Shareholders should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances. The Company cannot, and does not, offer any advice to shareholders relating to taxation implications.

#### **1.18. Governing law**

The Offer and the contracts arising due to acceptance of the Offer are governed by the law in force in Victoria, Australia.

## SECTION 2 PURPOSE AND EFFECT OF THE OFFER

### 2.1. Purpose of the Offer

The Offer is being undertaken principally to provide funds to meet the Company's ongoing working capital expenditure, including personnel expenses, marketing, technology and costs associated with the Offer and the De-Listing and the Minimum Holding Buy-Back facility.

The proceeds of the Offer are planned to be used in accordance with the table set out below which shows the expected use of funds raised from the Offer, which will be principally applied over the next 12 to 24 months for working capital, to restructure the Company, develop Company technology, and costs associated with the Offer and the De-Listing and the Minimum Holding Buy-Back facility.\*

<b>Purpose</b>	<b>Maximum Offer and Placement funds to be applied (A\$Million)</b>
Working capital	3.7
Restructuring costs - Internal	0.7
Restructuring costs - External Advisory	0.4
Unmarketable parcel buy- back	0.1
Costs related to Offer	0.2
<b>TOTAL</b>	<b>5.1</b>

\* The Board reserves the right to alter this budget as a result of a change in circumstances or intervening events.

The above is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board may determine to alter the way funds are applied as it considers necessary and appropriate having regard to the circumstances at the time.

### 2.2. Share Capital

If fully subscribed, the Offer will raise approximately \$5.1 million (before expenses of the Offer which are estimated to be \$0.2 million) and result in the issue of approximately 169 million New Shares. This assumes that the total number of Shares in the Company currently on issue does not change before the Record Date for the purposes of determining Entitlements under the Offer (e.g. due to the exercise of Options, or the conversion of Convertible Notes or the vesting of Performance Rights).

### 2.3. Market Price of Existing Shares on ASX

The highest and lowest market sale price of the Company's Shares on the ASX, during the three months immediately preceding the lodgement of this Prospectus with ASIC and the respective dates of those sales are set out below:

Highest: 3.4 cents on 10 January 2020

Lowest: 1.0 cents on 13,16 and 19 March 2020

The last market sale price prior to the date of lodgement of this Prospectus with ASIC was 2.3 cents on 6 April 2020.

#### **2.4. Options**

The Company currently has on issue 95,616,529 quoted Options, each entitling the holder to acquire one Share at an exercise price of \$0.10 per Share (subject to usual adjustments) at any time until 13 August 2021.

The terms of the Options do not permit their holders to participate in the Offer, except by exercise of the Options and thereby acquiring the underlying Shares in the Company before the Record Date for the Offer. This is unlikely as the exercise price of each Option is materially higher than the price at which Shares in the Company have been trading on ASX in recent times. However, the terms of the Options do provide for an adjustment in their exercise price according to the formula in rule 6.22.2 of the ASX Listing Rules. The exercise price adjustment takes effect upon issue of the New Shares offered under the Offer and is, in part, dependent on the difference between the price under the Offer and the volume weighted average closing price of the Company's Shares sold on ASX for the 5 trading days ending on the day before the 'ex date' for the Offer. Accordingly, that market price will be determined after the 'ex date' and if there is any change to the exercise price of any Options in consequence, the Company will notify ASX of the change in accordance with rule 3.11.2 of the ASX Listing Rules.

#### **2.5. Convertible Notes**

The Company currently has on issue 4,174,002 Convertible Notes, having a face value of \$1.00 and representing an outstanding Convertible Note balance of \$5,036,000 including capitalised interest to 31 December 2019. The Convertible Notes will continue to accrue interest in accordance with their terms of issue.

The Convertible Notes have a maturity date of 31 July 2021 and a conversion price of \$0.10 per Share (subject to usual adjustments), and every two Shares issued on conversion of the Convertible Notes will entitle the holders to one attaching option on the same terms as the Options.

The terms of the Convertible Notes do not permit their holders to participate in the Offer, except by exercise of the conversion rights and thereby acquiring the underlying Shares in the Company before the Record Date for the Offer. This is unlikely as the conversion price of each Convertible Note is materially higher than the price at which Shares in the Company have been trading on ASX in recent times. However, the terms of the Convertible Notes do provide for an adjustment in their exercise price according to a formula which is equivalent to the formula in rule 6.22.2 of the ASX Listing Rules. The exercise price adjustment takes effect upon issue of the New Shares offered under the Offer and is, in part, dependent on the difference between the price under the Offer and the volume weighted average closing price of the Company's Shares sold on ASX for the 5 trading days ending on the day before the 'ex date' for the Offer.

The holders of the convertible notes are associated entities of two Directors of the Company.



## 2.6. Unquoted Performance Rights

The Company also has 6,983,331 performance rights on issue, which may vest and be converted into Shares on satisfaction of certain performance criteria. Upon vesting following satisfaction of the applicable performance conditions, the performance rights entitle their holders to acquire Shares in the Company for no cash consideration. Further details of the performance rights are set out below:

Number	Description
1,783,332	2017 unquoted employee performance rights, each entitling the holder to acquire one fully paid ordinary share in the Company for no cash consideration (subject to usual adjustments), upon satisfaction of the applicable performance conditions assessed over a 4 year period ending 31 May 2021
1,949,999	2018 unquoted employee performance rights, each entitling the holder to acquire one fully paid ordinary share in the Company for no cash consideration (subject to usual adjustments), upon satisfaction of the applicable performance conditions assessed over a 4 year period ending 31 December 2021
1,250,000	2019 unquoted employee performance rights, each entitling the holder to acquire one fully paid ordinary share in the Company for no cash consideration (subject to usual adjustments), upon satisfaction of the applicable performance conditions assessed over a 4 year period ending 31 December 2022
2,000,000	2019 unquoted employee performance rights, each entitling the holder to acquire one fully paid ordinary share in the Company for no cash consideration (subject to usual adjustments), subject to the holder's continued employment until 31 December 2021

The terms of the performance rights do not permit their holders to participate in the Offer.

Upon vesting following satisfaction of the applicable performance conditions, the performance rights entitle their holders to acquire ordinary shares in the Company for no cash consideration.

The performance conditions of some of the performance rights are based on total shareholder return of the Company over a measurement period compared to a peer group of ASX listed entities. Others simply include continued employment as a performance condition. Due to the relevant vesting period, none of the performance rights will vest prior to the Closing Date.

The holders of the performance rights are executives or former executives of the Company or their associated entities.

## 2.7. Effect of Offer on Control

If all Eligible Shareholders take up their full Entitlements, there would be no significant effect on the control of the Company, as the Offer is made pro-rata and in that case no rights would lapse or revert to the Shortfall as described at Section 1.3.

Based on publicly available information as at the date of this Prospectus, the following persons (together with their associates) have a relevant interest in 5% or more of the Shares on issue in the Company:

<b>Substantial holder</b>	<b>No. of shares</b>	<b>%</b>
Perennial Investment Management Limited	87,123,488	14.86%
Chestnut Partners Limited <sup>1</sup>	46,348,600	7.83%
Log Creek Pty Ltd (ATF the Log Creek Vineyard Trust) <sup>2</sup>	77,597,910	13.23%
Simon Clausen <sup>3</sup>	29,839,290	5.65%

The potential effect that the issue of the New Shares under the Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors including the level of Shareholder participation in the Offer, which Shareholders participate, the extent of any Shortfall, which Shareholders apply and are issued Shares in any Shortfall and the extent to which Perennial and Log Creek are required to meet their respective commitments to subscribe for Shortfall and underwrite the Offer.

For example, if all Eligible Shareholders take up their Entitlement the issue of the New Shares would not be expected to have any material effect or consequence on the control of the Company other than with respect to those Shareholders who do not reside in Australia or New Zealand.

However, if one or more Eligible Shareholders do not take up their Entitlements in full, and the Offer proceeds, there will be a dilutionary effect on those Shareholders' proportional shareholdings in the Company. Furthermore, other investors who participate to the maximum extent possible and/or underwrite could acquire a relevant interest in more than 20% of the issued voting Shares in the Company, which may have a material impact on the control of the company.

For example, if no Entitlements are taken up, and the entire Shortfall is subscribed for by Perennial and Log Creek to the extent they have respectively committed, their voting power in the Company would change as follows:

<sup>1</sup> The shares held by Chestnut Partners Limited are held on trust beneficially for each of Mr Tim Handley (non-executive Director of the Company), who has a controlling interest in Chestnut Partners Limited, and Mr Gareth Bannan (chief financial officer, alternate Director of the Company and joint company secretary), who has an interest greater than 20% in Chestnut Partners Limited. Mr Handley and Mr Bannan each have a relevant interest in the shares held by Chestnut Partners Limited.

<sup>2</sup> Log Creek Pty Ltd (ATF the Log Creek Vineyard Trust) is an entity associated with chairman, Mike Fitzpatrick.

<sup>3</sup> Simon Clausen is a non-executive Director of the Company. He has a relevant interest in shares held by Startive Ventures Inc. and is also the beneficial owner of 26,500,000 shares held in the name of HSBC Custody Nominees (Australia) Limited. Simon currently holds a relevant interest in 37,430,940 Shares which represents a 6.32% interest, although because this interest has not changed more than 1% since his last substantial holder notification a new notification has not yet been required to be lodged.

The voting power in the Company of this person...	which is currently approximately...	would change to approximately...
Log Creek	13.23%	24.10% <sup>4</sup>
Perennial	14.86%	19.76% <sup>5</sup>

The above potential control outcomes are based on the substantial holder notifications received by the Company, and other relevant shareholdings in the Company that the Company has been able to ascertain from its register of members, and the firm underwriting and sub-underwriting commitments entered into with the Company or notified to the Company in writing, as at the date of this Prospectus.

## 2.8 Arrangements for further issues of securities

In addition to the Shares, Options, Convertible Notes and performance rights referred to in Sections 2.2 to 2.6 of this prospectus, the Company has arrangements in place as at the date of this prospectus that will likely result in the issue of the following additional securities after the record date for the Rights Offer:

Party to be issued securities	Reason for issue	Number and type of securities to be issued
Joe Hanna	In lieu of a portion of Mr Hanna's directors fees for the months of January, February and March 2020, as approved by shareholders at the general meeting of the Company held Thursday 31 October 2019.	454,546 Shares
Donald Cahill	In lieu of a portion of Mr Cahill's directors fees for the months of January, February and March 2020, as approved by shareholders at the general meeting of the Company held Thursday 31 October 2019.	204,546 Shares

<sup>4</sup> This number does not take into account the buy-back of unmarketable parcels that is currently underway. If all shares potentially able to be bought back under the Minimum Holdings Buy-Back are bought back and redeemed, then Log Creek's holding could change to up to 24.26%.

<sup>5</sup> This number does not take into account the buy-back of unmarketable parcels that is currently underway. If all shares potentially able to be bought back under the Minimum Holdings Buy-Back are bought back and redeemed, then Perennial's holding could change to up to 19.9%.

Portal Ventures Pte. Ltd.	In exchange for consulting services rendered for the quarter ended 31 December 2019. <sup>6</sup>	397,631 Shares
BP Cultra Pty Ltd	In exchange for consulting services rendered from 1 February 2019 to 30 June 2019 by Bletchley Park Capital.	1,021,276 Shares
Various employees of the Company	Pursuant to the Company's short term incentive plan for the financial year ended 31 Dec 2018. <sup>7</sup>	1,692,030 Shares

<sup>6</sup> Further Shares may be issued to Portal Ventures Pte Ltd in exchange for consulting service provided for the quarter ended 31 March 2020, however the number of those Shares will be determined by the board at a later date after discussions with Portal Ventures due to the impact de-listing has on the calculation of that amount (which is currently determined in the Company's agreement with Portal Ventures by reference to historical VWAP of trading). For the sake of completeness it is noted that Mr Tim Handley, a director of the Company holds a relevant interest in 20% of the issued shares in Portal Ventures Pte Ltd and accordingly, will hold a relevant interest in any shares held by that entity.

<sup>7</sup> Additional Shares may also be issued to employees under the Company's short term incentive plan for the year ended 31 December 2019, and performance rights under the Company's long term incentive plan for the financial years ended 31 December 2018 and 31 December 2019, however the board is assessing these incentive plans in light of the de-listing, and no firm decision has yet been taken with respect to such issues.

### SECTION 3 STATEMENT OF FINANCIAL POSITION AND PRO FORMA CAPITAL STRUCTURE

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Set out overpage is a pro forma Statement of Financial Position for the Company after taking into account the effect of the Offer. This statement is based on the audited accounts of the Company as at 31 December 2019, lodged with the ASX on 1 April 2020.

The pro forma Consolidated Statement of Financial Position illustrates the effect of the Offer based upon the following assumptions and qualifications:

- (a) there being no other material changes to the Company's Statement of Financial Position since 31 December 2019;
- (b) the Offer being fully subscribed resulting in the Company issuing an additional 169 million New Shares raising a total of approximately \$5.1 million;
- (c) the costs of the Offer estimated as being \$0.2 million; and
- (d) the activities of the Company since 31 December 2019 not being recognised in the *pro forma* Statement of Financial Position.

#### ***Basis of preparation***

The pro-forma Consolidated Statement of Financial Position has been prepared using historical financial information extracted from the Company's audited consolidated financial statements for the financial year ended the 31 December 2019.

This information is a summary only and does not contain the disclosures provided in annual financial report in accordance with the Corporations Act.

		Statutory Historical Balance Sheet 31-Dec-19	Capital Raise	Restructuring Costs - Internal	Restructuring Costs - External Adv.	Unmarketable parcel buy- back	Fees (Capital raising costs)	Proforma Historical Balance Sheet 31-Dec-19
<b>Assets</b>								
Cash and cash equivalents		3,104	5,075	(715)	(425)	(60)	(226)	6,754
Trade and other receivables		2,611						2,611
Prepayments		223						223
Total current assets	A\$( '000)	5,938	5,075	(715)	(425)	(60)	(226)	9,588
Other receivables		804						804
Plant and equipment		279						279
Right-of-use assets		888						888
Intangible assets		21,116						21,116
Deferred tax		870						870
Total non-current assets	A\$( '000)	23,957	–	–	–	–	–	23,957
Total assets	A\$( '000)	29,895	5,075	(715)	(425)	(60)	(226)	33,545
<b>Liabilities</b>								
Trade and other payables		3,647						3,647
Lease liabilities		279						279
Employee benefits		970						970
Provisions		55						55
Contract liabilities - deferred service		437						437
Total current liabilities	A\$( '000)	5,388	–	–	–	–	–	5,388
Lease liabilities		662						662
Deferred tax		667						667
Employee benefits		234						234
Convertible note		5,036						5,036
Total non-current liabilities	A\$( '000)	6,599	–	–	–	–	–	6,599
Total liabilities	A\$( '000)	11,987	–	–	–	–	–	11,987
Net assets	A\$( '000)	17,908	5,075	(715)	(425)	(60)	(226)	21,558
<b>Equity</b>								
Issued capital		85,546	5,075			(60)	(226)	90,336
Other contributed equity		1,952						1,952
Reserves		1,832						1,832
Accumulated losses		(71,422)		(715)	(425)			(72,562)
Total equity	A\$( '000)	17,908	5,075	(715)	(425)	(60)	(226)	21,558

## SECTION 4 RISK FACTORS

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### 4.1. General

The Company's activities are subject to a number of risks which may impact future financial performance and the price at which New Shares may be sold. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, others are outside the Company's control and cannot be mitigated. Therefore, investors who acquire New Shares may be exposed to a number of risks. Broadly, these risks can be classified as risks that are general to investing in trading companies and risks specific to an investment in Shares and the Company's underlying business.

This Section sets out the identified major risks associated with investing in New Shares. This list is not exhaustive and investors should read this Offer Document in its entirety before making an investment decision. Investors should also have regard to their own investment objectives and financial circumstances, and should consider seeking appropriate independent investment advice before deciding whether to invest in the New Shares and New Options.

### 4.2. Risk factors specific to the Company

#### (a) *De-Listing*

Following the De-Listing, Shares in the Company will only be capable of sale by private transaction. There will be no formal securities market or exchange in place to allow investors to dispose of their holdings following the De-Listing. This may present difficulties to investors who wish to sell their Shares or Options after that date as the Company does not intend to manage or facilitate a market for the sale of its Shares. All New Shares should be considered an illiquid investment.

After the De-Listing, the Listing Rules will no longer apply to the Company, meaning:

- i. the Company will no longer be required under rule 7.1 to obtain prior approval of Shareholders for an issue of equity securities if the equity securities will, when aggregated with the ordinary securities issued by the Company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period;
- ii. the Company will no longer be required to seek shareholder approval of transactions for the acquisition from or disposal to Directors, other related parties and shareholders holding 10% or more of the Company's shares under rule 10.1;
- iii. the Company will no longer be required to seek prior shareholder approval for the issue of shares to Directors and other related parties under rule 10.11; and
- iv. the Company will no longer require shareholder approval under rules 11.1 and 11.2 for changing the nature and scale of its activities or disposing of its main undertaking.

Although the Listing Rules will cease to apply to the Company, the Company will still continue to be subject to the requirements of the Corporations Act and the Company's Constitution, including the following:

- i. While the Company has 100 or more shareholders it will continue to be an unlisted disclosing entity. This means that it will still be required to give continuous disclosure of material matters in accordance with the Corporations Act by filing notices with ASIC under section 675 of the Corporations Act. The Company will also still be required to lodge annual audited and half-yearly financial statements in accordance with the requirements of the Corporations Act, however, if the Company ceases to be an unlisted disclosing entity (i.e. ceases to have at least 100 shareholders), there will be no ongoing requirement to give continuous disclosure of material matters under section 675 or lodge half-yearly financial statements reviewed by an auditor. The Company will still be required to prepare and lodge annual audited financial statements with ASIC.
- ii. While the Company has 50 or more Shareholders, the acquisition and control of shares in the Company will continue to be subject to the takeover provisions in chapter 6 of the Corporations Act.
- iii. The restrictions on the giving of a financial benefit to a related party under chapter 2E of the Corporations Act will continue to apply.
- iv. The majority of the provisions of the constitution of the Company will not be affected by the De-Listing, and there is no present proposal to change the constitution of the Company following the De-Listing.

Following De-Listing the Company anticipates that it would amend its corporate governance policies and procedures which were specific to the requirements of ASX. This would include, for example, amending the share trading policy so as to no longer refer to the blackout periods which applied in accordance with the requirements of ASX.

(b) ***Additional Requirements for Capital***

The Company's capital requirements depend on numerous factors. If the Company is successful in identifying a new opportunity in which it wishes to invest, the Company is likely to have insufficient funds to pursue the acquisition of such an interest without the raising of further funds (either through equity or debt or a combination of both). Further, the Company may experience unforeseen delays in day-to-day operations which can create a need for additional funds.

There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain finance will adversely affect the business and financial condition of the Company and its performance. Existing shareholders may be diluted if additional funds are raised by equity securities.

(c) ***Decline in online auto classifieds market and expenditure in Latin America***

The online auto classifieds market in Latin America is subject to factors outside the control of the Company. These factors include the general market outlook for economic



growth and interest rates. If growth in these markets slows down, if these markets contract, or if expenditure on online auto classifieds decreases, the Company may be unable to meet its business objectives.

(d) ***Decline in economic growth and automotive ownership in Latin America***

Latin America is currently experiencing rising levels of automotive ownership, which has been stimulated by growing wealth and GDP per capita. Although it is anticipated that economic growth in Latin America will continue to stimulate rising levels of automotive ownership, this may not eventuate. If economic growth, and therefore automotive ownership in Latin America does not increase as expected, this may impact on the Company's advertising and listing revenues and therefore on the expected growth of the Company.

(e) ***Decline in growth of internet penetration, rate of migration online and rate of improvement of internet infrastructure***

Internet penetration in the markets in which the Company operates has been growing. However, there can be no guarantee that this growth will continue in the future. In addition, growth in online classifieds is underpinned by a range of factors including improvement of internet infrastructure and migration from more traditional forms of media. While increased internet penetration and a migration from offline classifieds to digital platforms has occurred over recent years there can be no guarantee that the rate of penetration and migration will continue in the future, which may have an adverse effect on the expected growth of the Company. Similarly, internet infrastructure and technologies such as broadband and mobile internet in Latin America may not advance as quickly as anticipated, which may also have an adverse impact on the expected growth of the Company.

(f) ***Managing rapid growth***

The Company aims to rapidly grow its operating activities. If the Company is unable to manage its targeted growth successfully, including through the recruitment, training, integration and management of the anticipated increase in staff required to support such growth, it may not be able to take advantage of market opportunities, satisfy customer requirements, execute its business plan or respond to competitive pressure.

(g) ***Reliance on external finance providers for auto loans***

A key component of the Company's recent growth relates to the distribution of car loans through its car dealer network. The Company relies on external finance providers being able to continue to approve and disburse loan applications in a timely manner and on competitive terms. Any delays, changes to loan terms, changes to credit policies and risk appetite of any funding partner may negatively impact growth prospects of the company which can create a need for additional funds.

(h) ***Increased competition***

Internet businesses have low barriers to entry. Current or new competitors may adopt certain aspects of the Company's business model without great financial expense,

thereby reducing the Company's ability to differentiate its services. Competition may arise from a number of sources. It may include companies from traditional media, such as print media auto classifieds, that may have greater capital resources than the Company. Competition may also arise from global online classified companies and/or online auction platforms with developed processes, systems, and technology. There may also be an increase in online auto or general classified companies who gain market share by providing listing services free of charge. Any significant competition may adversely affect the Company's ability to meet its business objectives.

(i) ***Foreign currency risk***

The Company derives approximately 100% of its revenue and incurs a significant proportion of its costs from its activities in geographies outside Australia namely Mexico, Ecuador and Peru. Such exposure means fluctuations in exchange rates could have a material adverse impact on the Company's Australian dollar denominated financial results and cash flows.

(j) ***Adjusting strategy for differing local markets***

The Company operates across multiple markets in Latin America and has a broad company strategy. If the Company is not able to adapt and tailor its strategy to meet the particular needs of each market it may not be able to maximise its financial performance and growth in each market. This is particularly relevant in relation to the Company's marketing strategy, as each market has differing sensitivities to marketing methods and channels.

(k) ***Balancing the level of investment in each market***

The Company will need to manage its level of investment (both financial and managerial) in each of the countries in which it operates. To ensure that the Company maximises growth potential whilst minimising the risk of becoming dependant on a particular market, it will need to appropriately balance investment in countries with the biggest markets and revenue potential, with investment in smaller markets.

(l) ***Retaining key employees***

The Company's success is dependent on the retention of key employees to develop, manage and operate the business. Competition for qualified employees in the industry could increase and the loss of a substantial number of qualified employees, or an inability to attract, retain and motivate additional highly skilled employees required for the anticipated expansion of the Company's activities, could adversely affect its growth plans and financial position.

(m) ***Recruiting new employees***

The Company's business depends on successfully hiring relevantly skilled employees, including computer programmers and software engineers to develop new products and maintain existing ones, and sales personnel to generate revenue and maintain commercial relationships. The Company's ability to meet its labour needs while controlling costs associated with hiring and training employees is subject to external factors such as unemployment rates, prevailing wage legislation and changing

demographics. Changes that adversely impact the Company's ability to attract quality employees could adversely affect its future financial performance.

(n) ***New technology and investment in product development and maintenance***

The number of people who access information through devices other than personal computers, including mobile phones, has greatly increased in recent years. The Company's future success will continue to depend upon its ability to develop new products and enhancements that address the future needs of its clients and to respond to their changing standards, new technologies and practices of the online auto classifieds industry. The Company may not be successful in developing, introducing, marketing or licensing new products and enhancements on a timely and cost effective basis, its existing products may become obsolete and less marketable, and new products and enhancements may not adequately meet the requirements of the marketplace or achieve market acceptance.

(o) ***Government regulations and political instability***

Given the Company's operations are in Latin America, the Company is subject to the risks associated with doing business in a region that is less politically, legally and economically stable than Australia, including:

- unexpected irregular changes in, or inconsistent application of, applicable foreign laws and regulatory requirements;
- less sophisticated regulatory and technology standards;
- less developed financial systems and as a result reduced local access to credit;
- restrictions on repatriation of profits/cash from foreign jurisdictions;
- difficulties engaging local resources;
- the effects of political upheaval or civil unrest; and
- adverse economic effects

(p) ***Relationship with vehicle dealers and manufacturers***

The Company generates some revenue through advertisements from vehicle dealers and manufacturers. Contracts between the Company and its advertisers and dealers are generally short term. There can be no guarantee that advertisers and dealers will renew their advertising agreements. Should a significant number of dealers cancel or fail to renew their agreements this may have an adverse effect on the growth prospects and financial performance of the Company. Dealers may also choose to establish their own online sales sites rather than utilising the Company to sell their motor vehicles.

(q) ***Data loss, theft or corruption***

The Company provides a material amount of its services online through a range of websites. Hacking or exploitation of some unidentified vulnerability in its websites could lead to loss, theft or corruption of data. This could render the websites unavailable for a period of time while data is restored. It could also lead to unauthorised disclosure of users' data, with associated reputational damage, claims by users, regulatory scrutiny and potential fines.

While the Company has strategies and protections in place to try to minimise security breaches and to protect data, such strategies and protections might not be successful. In that event, disruption to the websites and unauthorised disclosure of user data could negatively impact upon the Company's revenues and profitability.

(r) ***Hacker attacks***

The Company relies upon the availability of its websites to provide services to users and to attract new users. Hackers could render the websites unavailable through a distributed denial of service attack or other disruptive attacks.

Although the Company has strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of these websites could lead to a loss of revenue whilst the Company is unable to provide its services. Further, it could hinder the Company's ability to retain existing users, increase their activity on its websites and to attract new users, potentially having a material adverse impact upon the Company's growth.

(s) ***Intellectual property rights***

The Company regards substantial elements of its websites, software tools, applications, databases and underlying technology as proprietary. Despite precautionary measures, third parties may copy or otherwise obtain and use the Company's proprietary information without authorisation or may develop similar technology independently. In addition, competitors may be able to design or develop competing technologies substantially similar to those of the Company without any infringement of the Company's proprietary rights. Any legal action that the Company may bring to protect its proprietary information could be unsuccessful and expensive and would divert management's attention from its business operations. It should be noted that a substantial amount of the Company's intellectual property and proprietary software is currently used as collateral for the secured Convertible Note entered into by the Company in 2017.

Latin American jurisdictions have typically lagged in their development of copyright protection and regulation. Changes to applicable regulatory regimes, including the interpretation and enforcement of matters such as intellectual property protection, user privacy, internet business operations or the automotive industry in Latin America could be imposed without warning or consultation, to the potential detriment of the Company's business.

The Company has made application for certain trademarks and reasonably expects that the Company will acquire the rights to these trademarks, however there is a risk that some of these rights may not be acquired.

(t) ***Local labour laws***

Most of the Company's key management personnel, consultants and employees are engaged or employed in Latin American jurisdictions. Labour laws in those jurisdictions are different to Australia and accordingly employers may be subject to different duties and obligations to their employees than is the norm in Australia. Some of the jurisdictions have more onerous termination provisions which may cause the Company expense should it decide to restructure aspects of its business. With the existing COVID 19 situation, labour laws are susceptible to change which may to be the benefit or detriment of the Company

### 4.3. General Risks

A number of factors which are outside of the Company's control may significantly impact on the Company, its performance and the value of New Shares. These factors include:

(a) ***Investment and Economic Risk***

Economic factors both in Australia and internationally beyond the control of the Company, such as interest rates, inflation, exchange rates, taxation, changes in government policy and legislation, may negatively impact on the operational performance of the Company.

The Company's revenues, expenses and cash flows could be negatively affected by any of these factors, which in turn may affect the value of New Shares.

No assurances can be made that the Company's performance will not be adversely affected by any such market fluctuations or factors. None of the Company or its Directors or any other person guarantees the performance of the Company or the market price at which its shares trade.

The New Shares issued under the Offer carry no guarantee in respect of profitability, dividends, or return of capital. Following the De-Listing there will be no general market for trading the New Shares. The value of the New Shares will be subject to a range of factors beyond the control of the Company and its Directors including the demand and availability of Shares and the ability to trade the New Shares.

An investment in New Shares should be considered speculative and the New Shares considered illiquid.

(b) ***Government policy***

The Company's capacity to conduct its operations, as well as industry profitability generally, can be affected by changes in government policy which may be beyond the control of the Company.

(c) ***Future capital needs and additional funding***

The future capital requirements of the Company will depend on many factors. There can be no guarantee that the Company will be able to raise additional capital to meet future funding requirements.

Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

(d) ***Taxation risk***

Variations in the taxation laws of Australia and other countries in which the Company operates could impact the Company's financial performance. Interpretation of taxation law could also change, leading to a change in taxation treatment of investments or activities.

(e) ***Changes in regulatory environment***

Changes to laws and regulations or accounting standards which apply to the Company from time to time could adversely impact the operating and financial performance and cash flows of the Company.

#### **4.4. Other Risk Factors**

Other risk factors include those normally found in conducting business including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the Company's business or trade.

#### **4.5. COVID-19**

In recent months a number of changes in government policy and regulations have taken place across the world in response to the threat to public health posed by the novel coronavirus known as SARS-CoV-2, which causes a disease in humans known as COVID-19. In some cases these have included closing borders to non-essential travel, and introducing measures which may have the effect of preventing or delaying the international shipment of goods. This in turn is likely to have an adverse impact on the supply chain for imported goods and components, as well as a number of export, airline, tourism or education based industries.

The situation is developing rapidly, as are the responses of governments, regulators and private industry. The negative economic impact of interruptions to global trade, travel and economic activity, including the likelihood of companies being forced to terminate or stand down workers is yet to be determined. However, it is reasonable to expect that many economies will face recession and rising unemployment. Central banks' current easing of monetary policy, if maintained for an extended period may also contribute to inflation. Existing contractual arrangements may also be interrupted either by counterparties utilising force majeure provisions or claiming the contract has been frustrated and thereby discharged.

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

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

Before any decision is made to subscribe for securities under the Offer, the above matters, and all other matters described in this document must be carefully considered. The New Shares to be allotted pursuant to this Prospectus should be regarded as speculative in nature and carry no guarantee with respect to the payment of dividends, return of capital or their market value.

The above list of risk factors should not to be taken as exhaustive of the risks faced by the Company or the Shareholders. The above factors, and others not specifically referred to above, may in the future materially affect the Company's financial performance and the value of the Shares.

### 5.1. Rights attaching to the New Shares

The rights attaching to ownership of the New Shares arise from a combination of:

- the Constitution; and
- in certain circumstances, the Corporations Act and the general law.

Investors should note, however, that the Listing Rules will cease to apply to the Company after De-Listing and so will not apply to the New Shares on and following the time that the De-Listing occurs.

The following is a summary of the more significant rights attaching to the New Shares. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Shareholders.

Further details of the rights attaching to Shares are set out in the Constitution of the Company, a copy of which can be inspected at the Company's registered office during normal business hours.

#### 5.1.1. Variation of rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

#### 5.1.2. Voting rights

Subject to any rights or restrictions, at general meetings of Shareholders:

- each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### 5.1.3. General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Any 2 Directors may convene a general meeting at their discretion.

#### **5.1.4. Dividends**

Shareholders will be entitled to a share of any dividends declared, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Directors may set aside a sum out of the profits of the Company, as reserves, before recommending dividends of the profits.

#### **5.1.5. Winding-up**

If the Company is wound up, the liquidator may with the sanction of a special resolution, divide the assets of the Company amongst shareholders as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of shareholders, they will be distributed in such a way that the losses borne by shareholders are in proportion to the capital paid up.

#### **5.1.6. Transfer of Shares**

Shares can be transferred upon delivery of a proper instrument of transfer to the Company. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Except where the operating rules of an applicable clearing and settlement facility licensee provide otherwise, until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

The Directors may in their absolute discretion refuse to register any transfer of Shares or other securities where the Shares or other securities are not quoted by ASX.

#### **5.1.7. Unmarketable parcels**

The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.



## SECTION 6 ADDITIONAL INFORMATION RELEVANT TO THE OFFER

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### 6.1. De-Listing

As announced on 31 March 2020 the De-Listing of the Company was approved at a general meeting of the Company held on 31 March 2020 and it is anticipated that the De-Listing will occur on 4 May 2020.

### 6.2. Minimum Holding Buy-Back Facility

As announced on 26 February 2020, to provide smaller Shareholders with the ability to exit their holdings prior to the occurrence of the De-Listing, on the basis that they may not want to hold Shares in an unlisted entity, a liquidity facility has been offered by the Company in the form of a Minimum Holding Buy-Back for Shareholders holding parcels of Shares that are less than a marketable parcel i.e. a parcel of Shares worth less than A\$500 based on the last ASX closing sale price of the Shares before the date of the announcement. All Shareholders with an unmarketable parcel have been given a letter outlining the process. These Shareholders have been provided at least 6 weeks to opt-out of the Minimum Holding Buy-Back in order to retain their Shares. Shareholders who hold an unmarketable parcel of Shares (based on the closing sale price of a Share at the expiry of the opt-out period) who take no action will receive 3 cents per Share held, without incurring any brokerage costs.

### 6.3. The Company is a Disclosing Entity

The Company is a disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure requirements. As a listed company, the Company is required to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules. Investors should note, however, that the Listing Rules will cease to apply to the Company after De-Listing.

The ASX maintains records of company announcements for all companies listed on the ASX. The Company's announcements may be viewed on the ASX's website at [www.asx.com.au](http://www.asx.com.au) up to the date that it is De-Listed.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any person who requests a copy of the document before the Closing Date:

- (a) the annual financial report of the Company for the year ended 31 December 2019, being the annual financial report most recently lodged by the Company with the ASIC; and
- (b) any continuous disclosure notices (that is, documents in which the ASX was notified of information relating to the Company) given by the Company after 1 April 2020, being the date of lodgement of the 31 December 2019 annual financial report and before lodgement of a copy of this Prospectus with the ASIC. These documents are:

1/04/2020	Appendix 4G and 2019 Corporate Governance Statement
7/04/2020	Pre-prospectus market update

The Company may make further announcements to ASX from time to time. Copies of announcements are released by ASX on its website ([www.asx.com.au](http://www.asx.com.au)), and will also be made available on the Company website ([www.latamautos.com.au](http://www.latamautos.com.au)). Copies of announcements can also be obtained from the Company on request. Prospective investors are advised to refer to ASX's website or the Company website for updated releases about events or matters affecting the Company.

The annual financial report and the continuous disclosure notices referred to above have been identified for the purposes of section 713(4) of the Corporations Act and are not taken to form part of the content of this Prospectus.

The Company's Constitution and the consents referred to in Section 6.10 are also available for inspection for a period of 12 months after the date of this Prospectus during normal business hours at the Company's office at:

LatAm Autos Limited  
Level 4, 100 Albert Road  
South Melbourne, Victoria 3205

#### **6.4. Section 713 Prospectus**

This Prospectus has been issued under the provisions of section 713 of the Corporations Act. Section 713 enables disclosing entities to issue prospectuses in relation to securities in a class of securities that has been quoted on the ASX at all times in the 12 month period preceding the date of the prospectus. Copies of documents lodged at ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an office of ASIC.

The New Shares to be issued under this Prospectus are in a class of securities that has been continuously quoted on the ASX in the 12 month period preceding the date of this Prospectus.

As the New Shares form part of the same class as the Company's existing Shares, ASIC Corporations (Exposure Period) Instrument 2016/74 allows the Company to accept Entitlement and Acceptance Forms upon the lodgement of this Prospectus with ASIC.

The level of disclosure that applies to this Prospectus requires that it must contain all the information investors and their professional advisers would reasonably require to make an informed assessment of:

- (a) the effect of the Offer on the Company; and
- (b) the rights and liabilities attaching to the securities being offered.

The Prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in the Prospectus. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospectus of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that the Company has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company. Information that is already in the public domain has not been reported in this Prospectus, other than that which is considered necessary to make the Prospectus complete.

## 6.5. The Board of Directors, Interests of Directors and Management

Details of the interests of each Director in securities of the Company immediately before lodgement of this Prospectus with ASIC are set out in the table below. The table does not take into account any securities the Directors may acquire under the Offer.

*Relevant Interests of Directors (including indirect interests)*

Director	Shares	Options	Convertible Notes	Performance Rights
Tim Handley	47,643,317 <sup>8</sup>	300,000	Nil	600,000
Jorge Mejia Ribadeneira	16,516,447	300,000	Nil	3,850,000
Simon Clausen	37,430,940	3,795,825	600,000	Nil
Michael Fitzpatrick	77,597,910	18,181,818	3,574,002	Nil
Gareth Bannan (alternate director)	48,309,827 <sup>9</sup>	374,300	Nil	433,334
Joe Hanna	930,744	244,589	Nil	Nil
Donald Cahill	136,362	Nil	Nil	Nil
Cameron Griffin (alternate director)	Nil	Nil	Nil	Nil

<sup>8</sup> This number includes 46,348,600 shares held by Chestnut Partners Limited, an entity in which Mr Handley has a controlling interest. 26,225,000 of these shares are held on trust for Tim Handley.

<sup>9</sup> This number includes 46,348,600 shares held by Chestnut Partners Limited, an entity in which Mr Bannan has an interest exceeding 20%. 20,123,600 of these shares are held on trust for Gareth Bannan.

## **6.6. Payments and Benefits to Directors**

Except as set out in this Prospectus, no person has paid or agreed to pay any amount, or provided or agreed to provide any benefit to:

- (a) any Director in order to induce them to become, or to qualify as, a Director; or
- (b) any Director for services provided by him in connection with:
  - (i) the formation or promotion of the Company, or
  - (ii) the Offer.

The remuneration paid or payable to each Director for the last two years (including cash and non-cash benefits) is set out in Section 6.7 below.

## **6.7. Remuneration of Directors and Executives**

As a non-executive Director, Mr Tim Handley is currently paid \$50,228 per annum plus statutory superannuation.

As Chief Executive Officer and executive Director, Mr Jorge Mejia Ribadeneira is currently paid cash remuneration of \$372,928 per annum.

As Chairman, Mr Michael Fitzpatrick is currently paid \$50,228 in directors fees per annum plus statutory superannuation.

As a non-executive Director, Mr Simon Clausen is currently paid \$55,000 in directors fees per annum.

As a non-executive Director, Mr Joe Hanna is currently paid \$55,000 in directors fees per annum. Mr Hanna also receives an additional \$100,000 in non-cash payments for investor relations services, the payment of which was approved at the general meeting of the Company held 31 October 2019.

As a non-executive Director, Mr Donald Cahill is currently paid \$55,000 in directors fees per annum. Mr Cahill also receives an additional \$45,000 in non-cash payments for investor relations services, the payment of which was approved at the general meeting of the Company held 31 October 2019.

As Chief Financial Officer, Mr Gareth Bannan is currently paid \$208,323 per annum.

Mr Cameron Griffin does not receive any remuneration for acting as alternate Director for Mr Michael Fitzpatrick.

The following table shows the annual remuneration paid to both executive and non-executive Directors and the CFO for the last two financial years ended 31 December 2018 and 31 December 2019:

	Cash salary and fees \$	Short-term benefits			Post-employment benefits		Share-based payments	Total \$
		Bonus * shares issued \$	Cash expense allowance \$	Annual leave \$	Super-annuation \$	Other long-term incentives \$	Equity-Settled (Performance Rights) \$	
<b>2018</b>								
<i>Non-Executive Directors:</i>								
Mr S Clausen	55,000	-	-	-	-	-	-	55,000
Mr M Fitzpatrick	50,228	-	-	-	4,772	-	-	55,000
Mr C Galbraith**	50,228	-	-	-	4,772	-	-	55,000
<i>Executive Directors:</i>								
Mr T Handley	262,356	61,600	-	20,181	24,924	-	33,250	402,311
Mr J Mejia Ribadeneira	281,628	262,000	-	-	-	-	47,691	591,319
<i>Other Key Management Personnel:</i>								
Mr G Bannan	200,919	35,030	-	6,972	-	-	26,072	268,993
	<u>900,359</u>	<u>358,630</u>	<u>-</u>	<u>27,153</u>	<u>34,468</u>	<u>-</u>	<u>107,013</u>	<u>1,427,623</u>
<b>2019</b>								
<i>Non-Executive Directors:</i>								
Mr M Fitzpatrick	50,228	-	-	-	4,772	-	-	55,000
Mr T Handley	20,929	-	-	-	1,193	-	-	22,122
Mr S Clausen	55,000	-	-	-	-	-	-	55,000
Mr J Hanna**	23,656	16,667	-	-	-	-	-	40,323
Mr D Cahill**	23,656	7,500	-	-	-	-	-	31,156
Mr C Galbraith***	19,633	-	-	-	1,865	-	-	21,498
<i>Executive Directors:</i>								
Mr J Mejia Ribadeneira	372,928	-	-	-	-	-	67,017	439,945
Mr T Handley*	153,041	-	-	28,253	15,731	-	13,769	210,794
<i>Other Key Management Personnel:</i>								
Mr G Bannan	208,323	-	-	1,567	-	-	10,489	220,379
	<u>927,394</u>	<u>24,167</u>	<u>-</u>	<u>29,820</u>	<u>23,561</u>	<u>-</u>	<u>91,275</u>	<u>1,096,217</u>

\* Mr Handley resigned as Executive Chairman on 14 June 2019 and continued to act Non-executive director thereafter. The disclosures above reflect his remuneration during his tenure as Non-executive Director and Executive director, respectively.

\*\* Mr Hanna and Mr Cahill appointed to the Board on 26 Jul 2019.

\*\*\* Mr Galbraith retired from the Board on 21 May 2019.

Further details of the remuneration of Directors is set out in the Remuneration Report set out in the 2019 Annual Report of the Company.

## **6.8. Interests of, and Issue of Payments and Benefits to, Underwriters, Advisors and Experts**

Except as set out in this Prospectus, neither Log Creek, Perennial nor any person named in this Prospectus as performing a function in a professional, advisory, expert or any other capacity in connection with the preparation and distribution of this Prospectus, promoters of the Company (together, **Prescribed Persons**) holds, or at any time in the past two years held, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offer; or
- (c) the Offer.

Except as set out in this Prospectus, no amounts have been paid or agreed to be paid to any Prescribed Person and no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Piper Alderman will receive the sum of approximately \$68,000 (excluding GST and disbursements) from the Company for the provision of legal services to the Company in connection with the Offer.

Grant Samuel Corporate Finance Pty Limited have acted as corporate adviser for the Offer under this Prospectus, for which it will receive fees pursuant to its mandate consisting of a fee calculated as 2.5% of funds received pursuant to the Offer.

## **6.9. Litigation**

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

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

Other than the above matters, as at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

#### **6.10. Consents**

Piper Alderman has given and as at the date of this Prospectus has not withdrawn its consent to be named as the Company's solicitors in relation to the Offer. No statement in this prospectus is made by Piper Alderman or is based on a statement made by Piper Alderman, and no responsibility for the contents of this prospectus or any notice or other document given by the Company to ASX or any other person in respect of the Offer, is taken by Piper Alderman.

Grant Samuel Corporate Finance Pty Limited has given and as at the date of this Prospectus has not withdrawn its consent to be named as the Company's corporate advisers in relation to the Offer. Grant Samuel Corporate Finance Pty Limited has not authorised or caused the issue of any part of this Prospectus. No statement in this prospectus is made by Grant Samuel or is based on a statement made by Grant Samuel, and no responsibility for the contents of this prospectus or any notice or other document given by the Company to ASX or any other person in respect of the Offer, is taken by Grant Samuel.

## **SECTION 7 ACTION REQUIRED BY SHAREHOLDERS AND APPLICATIONS BY MEMBERS OF THE PUBLIC**

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### **7.1. What Existing Shareholders may do**

The number of New Shares to which Eligible Shareholders are entitled under the Offer ('your Entitlement') is shown on the accompanying Entitlement and Acceptance Form.

As an Eligible Shareholder, you may:

- take up your Entitlement in full and subscribe for all of the New Shares to which you are entitled;
- take up your Entitlement in full and subscribe for all of the New Shares to which you are entitled and apply for New Shares forming the Shortfall (if there is one);
- take up part of your Entitlement and allow the balance to lapse; or
- do nothing and allow your Entitlement to lapse.

### **7.2. Taking up all or part of your Entitlement**

If you wish to take up all or part of your Entitlement complete the accompanying Entitlement and Acceptance Form for New Shares in accordance with the instructions set out in the form (for all of the New Shares offered to you or such lesser number you wish to accept). Forward your completed Entitlement and Acceptance Form together with your cheque, money order or bank draft in Australian currency drawn on and payable at an Australian bank for the amount due in respect of the number of New Shares you wish to accept (being that number multiplied by \$0.03) to reach the Company's Share Registrar, Boardroom Pty Limited, no later than 5.00pm (AEST) on Tuesday 28 April 2020 at the address set out below:

LatAm Autos Limited  
c/- Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001

Cheques should be made payable to "LatAm Autos Limited" and crossed "Not Negotiable". Alternatively, a BPAY® option is also available. In order to use BPAY®, please follow the instructions set out on the Entitlement and Acceptance Form.

If you are accepting all or part of your Entitlement and payment is being made by BPAY®, you are not required to return the Entitlement and Acceptance Form. Your BPAY® payment must be received by no later than 5.00pm Melbourne time on Tuesday 28 April 2020.

### **7.3. Applying for Shortfall**

If there is a Shortfall and you are an Eligible Shareholder and you wish to take up additional New Shares complete the additional New Shares section of the Entitlement and Acceptance Form in accordance with the instructions set out in the Entitlement and Acceptance Form. In order to apply for New Shares under the Shortfall you must be an Eligible Shareholder and must have first taken up your Entitlement in full.



Forward your completed Entitlement and Acceptance Form together with your cheque, money order or bank draft in Australian currency drawn on and payable at an Australian bank for the amount shown on the form to reach the Company's Share Registrar, Boardroom Pty Limited, no later than 5.00pm (AEST) on Tuesday 28 April 2020 at the address set out below:

LatAm Autos Limited  
c/- Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001

Cheques should be made payable to "LatAm Autos Limited" and crossed "Not Negotiable".

Alternatively, a BPAY® option is also available. In order to use BPAY®, please follow the instructions set out on the Entitlement and Acceptance Form. If you are accepting all or part of your Entitlement and payment is being made by BPAY®, you are not required to return the Entitlement and Acceptance Form. Your BPAY® payment must be received by no later than 5.00pm (AEST) on Tuesday 28 April 2020.

#### **7.4. Consequences of doing nothing – Entitlement not taken up**

You will receive no benefit if you do not take up your Entitlement. It is therefore important that you consider taking action either to take up your Entitlement in accordance with the above instructions and the instructions on the back of the Entitlement and Acceptance Form.

#### **7.5. Applications and Payment**

If your Entitlement and Acceptance Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted by the Company. The Company's decision as to whether to accept the application or how to construe, amend or complete it, shall be final, but no Applicant will be treated as having offered to purchase more New Shares than indicated by the amount of the cheque for application monies.

You are urged to lodge your Application as soon as possible. Entitlement and Acceptance Forms must not be circulated to prospective investors unless attached to a copy of this Prospectus.

Cheques must be drawn in Australian currency on an Australian bank and made payable to 'LatAm Autos Limited' and crossed 'Not Negotiable'. Please do not forward cash or postal notes by mail. Receipts for payment will not be issued.

Eligible Shareholders may submit payments for New Shares applied for using BPAY®. In order to use BPAY®, please follow the instructions set out on the Entitlement and Acceptance Form. If you make payment by BPAY®, you do not need to return your Entitlement and Acceptance Form.

#### **7.6. Acceptance**

Receipt of your payment will constitute acceptance in accordance with, and your agreement to, the terms of the Offer, including those set out in this Prospectus.

By lodging a completed Entitlement and Acceptance Form entitlement and acceptance form, the applicant is taken to have warranted to and for the benefit of the Company that it is able to

participate in the Offer without breaching any applicable law or regulation. Each applicant should seek professional advice before doing so if there is any doubt about this.

### **7.7. Enquiries**

If you have any queries about your Entitlement please contact the Company's Share Registrar, Boardroom Pty Limited, between the hours of 8.30am and 5.00pm (AEST), Monday to Friday:

Ph: 1300 737 760 (within Australia) or + 61 2 9290 9600 (outside Australia)

Email: [corporateactions@boardroomlimited.com.au](mailto:corporateactions@boardroomlimited.com.au)

Alternatively, contact your stockbroker or other professional adviser.

### **7.8. Personal Information and Privacy Act**

Eligible Shareholders have already provided certain personal information to the Company and its share registrar. If Eligible Shareholders apply for New Shares, the Company and its share registrar may update that personal information or collect new information. Such information will be used to assess the Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

Your personal information may be used and disclosed to persons inspecting the registers, regulatory bodies, print service providers, mail houses retained for Company purposes and Company's share registrar.

If you do not provide the information requested in the Entitlement and Acceptance Form, the Company may not be able to process the Application or administer your holding of Shares appropriately.

Under the *Privacy Act 1998* (Cth), you may access, correct and update personal information held by, or on behalf of the Company or its share registrar by contacting the Company as follows:

LatAm Autos Limited  
Attention: Company Secretary  
Level 4, 100 Albert Road  
SOUTH MELBOURNE VIC 3205  
Ph: + 61 3 9692 7222

## SECTION 8 DIRECTORS AUTHORISATION

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The Directors of the Company have authorised the issue of this Prospectus on behalf of the Company.

This Prospectus has been signed by a Director for and on behalf of the Directors, in accordance with section 351 of the Corporations Act.



**Mr Michael Fitzpatrick**

Chairman

## SECTION 9 GLOSSARY

In this Prospectus the following terms have the meanings ascribed to them below, unless the context otherwise requires.

<b>TERM</b>	<b>DEFINITION</b>
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASTC</b>	ASX Settlement and Transfer Corporations Pty Ltd
<b>ASX</b>	Australian Securities Exchange Limited
<b>Board</b>	The board of Directors at LatAm Autos Limited
<b>Business Day</b>	A day that is not a Saturday, Sunday or public holiday or bank holiday in Melbourne.
<b>CHESS</b>	Clearing House Electronic Subregister System
<b>Closing Date</b>	The date the Offer closes, being 5.00pm (AEST) on Tuesday 28 April 2020, unless extended by the Company
<b>Company</b>	LatAm Autos Limited (ACN 169 063 414)
<b>Constitution</b>	The constitution of the Company
<b>Convertible Note</b>	A secured convertible note issued by the Company on or about 6 October 2017 under the terms of a secured convertible note deed dated 13 April 2017 (as amended)
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>De-Listing</b>	The removal of the securities of the Company from the official list of ASX
<b>Directors</b>	The directors of LatAm Autos Limited
<b>Eligible Shareholder</b>	A Shareholder entitled to participate in the Offer as described in Section 1.2
<b>Entitlement</b>	The entitlement of a Shareholder to participate in the Offer
<b>Entitlement and Acceptance Form</b>	The form described as such accompanying this Prospectus (for Eligible Shareholders only)
<b>International Shareholder</b>	A holder of Shares having a registered address outside Australia or New Zealand
<b>Issuer Sponsored Statement</b>	Issued sponsored holding statement to be issued by CHESS
<b>Listing Rules</b>	The official listing rules of the ASX
<b>Lodgement Date</b>	The date on which this Prospectus was lodged with ASIC, being 7 April 2020
<b>Log Creek</b>	Log Creek Pty Ltd, and entity controlled by Company chairman Michael Fitzpatrick
<b>Minimum Holding Buy-Back</b>	The minimum holding buy-back announced by the Company on 26 February 2020
<b>New Shares</b>	Shares offered under this Prospectus

<b>TERM</b>	<b>DEFINITION</b>
<b>Offer</b>	The non-renounceable Offer of 2 New Shares for every 7 Shares held at the Record Date at a price of 3 cents (\$0.03) per New Share made in accordance with this Prospectus, further details of which are set out in Section 1 of this Prospectus. The Offer includes both the Entitlement and the Shortfall.
<b>Official List</b>	Has the meaning given to the term "official list" in the Listing Rules
<b>Official Quotation</b>	Has the meaning given to the term 'quotation' in the Listing Rules
<b>Options</b>	Quoted options issued by the Company under the options deed dated 13 June 2019 with an expiry date of 13 August 2021
<b>Perennial</b>	Perennial Investment Management Limited
<b>Prescribed Persons</b>	Prescribed Persons has the meaning given to it in Section 6.8
<b>Prospectus</b>	This Prospectus dated 7 April 2020
<b>Record Date</b>	15 April 2020
<b>Section</b>	A section under this Prospectus
<b>Shareholder</b>	A registered holder of Shares appearing on the Company's share register
<b>Shares</b>	Ordinary fully paid shares in the capital of the Company
<b>Share Registrar</b>	Boardroom Pty Limited
<b>Shortfall</b>	The difference between the total number of New Shares that could be issued under the Offer were all Entitlement rights taken up in full and the total number of New Shares to be issued in consequence of the Entitlement rights that are actually taken up
<b>Statement of Financial Position</b>	The statement on the financial position of the Company
<b>U.S. Person</b>	The meaning given in Regulation S under the US Securities Act
<b>U.S. Securities Act</b>	The United States Securities Act of 1933, as amended

## CORPORATE DIRECTORY

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### Registered Office

LatAm Autos Limited  
Level 4, 100 Albert Road  
South Melbourne VIC 3205

### Website

[www.latamautos.com](http://www.latamautos.com)

### Directors

Michael Fitzpatrick (Chairman)  
Tim Handley (Non-Executive Director)  
Jorge Mejia Ribadeneira (Executive Director  
& Chief Executive Officer)  
Simon Clausen (Non-Executive Director)  
Joe Hanna (Non-Executive Director)  
Donald Cahill (Non-Executive Director)  
Gareth Bannan (Chief Financial Officer &  
Alternate Director)  
Cameron Griffin (Alternate Director)

### Company Secretary

Melanie Leydin  
Gareth Bannan

### ASX Code

Shares: LAA

### Corporate Adviser

Grant Samuel Corporate Finance Pty Limited  
6/1 Collins Street  
Melbourne VIC 3000

### Principal Legal Adviser

Piper Alderman  
23/459 Collins Street  
Melbourne VIC 3000

### Auditor

Grant Thornton\*  
Collins Square, Tower 5  
727 Collins Street  
Melbourne VIC 3008

### Share Registrar

Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney NSW 2000  
Telephone: 1300 737 760

Ph: 1300 737 760 (within Australia)

Ph: + 61 2 9290 9600 (outside Australia)

Email: [corporateactions@boardroomlimited.com.au](mailto:corporateactions@boardroomlimited.com.au)

Website: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

*\*This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.*

**NON RENOUNCEABLE ENTITLEMENT OFFER  
ENTITLEMENT AND ACCEPTANCE FORM**

Subregister:

HIN / SRN:

Entitlement No:

Number of Shares held  
at 7:00 pm AEST  
on 15 April 2020  
(Record Date):

**OFFER CLOSSES: 5.00pm (AEST) TUESDAY, 28 APRIL 2020**

**A Entitlement Acceptance**

(1) If you wish to accept **YOUR FULL ENTITLEMENT**, please note your Entitlement and requisite Application Amount specified below and return this Form together with your **PAYMENT** by cheque or money order or **alternatively make a payment by BPAY in which case you DO NOT NEED TO RETURN THIS FORM.**

Entitlement New Shares	Offer Price (per New Share)	Application Amount \$
	\$0.03	

(2) If you wish to accept only **PART OF YOUR ENTITLEMENT** please complete the boxes below with the **NUMBER OF NEW SHARES** you wish to accept under your Entitlement and the requisite Application Amount and return this Form together with your **PAYMENT** by cheque or money order or **alternatively make a payment by BPAY in which case you DO NOT NEED TO RETURN THIS FORM.**

Part Acceptance of Entitlement New Shares	Offer Price (per New Share)	Application Amount \$
	\$0.03	

**B Apply for Additional New Shares (if available)**

If you have accepted **YOUR FULL ENTITLEMENT** and wish to apply for Additional New Shares, please complete the boxes below with the **NUMBER OF ADDITIONAL NEW SHARES** for which you wish to apply and the requisite Application Amount payable.

Number of Additional New Shares	Offer Price (per New Share)	Application Amount \$
	\$0.03	

**C Calculate total Application Amount (if applying for Additional New Shares)**

If you are applying for Additional New Shares, please calculate and complete the boxes below with the **TOTAL NUMBER OF NEW SHARES** and requisite Application Amount payable by adding the number of New Shares to which you are entitled under your Entitlement (**Section A (1)**) to the number of Additional New Shares for which you are applying (**Section B**), and return this Form together with your **PAYMENT** by cheque or money order or **alternatively make a payment by BPAY in which case you DO NOT NEED TO RETURN THIS FORM.**

Total Number of New Shares (A (1) + B)	Offer Price (per New Share)	Application Amount \$ (A (1) + B)
	\$0.03	\$

Additional New Shares will only be allotted if available.


If the person completing this Form is acting for the Eligible Shareholder, the return of this Form, together with payment of the requisite Application Amount or payment by BPAY, will constitute acceptance of the Entitlement Offer by the Eligible Shareholder, and if that person is acting under Power of Attorney, he/she states that he/she has not received notice of revocation and that he/she has authority to accept the Entitlement Offer.

**Payment Instructions**

Payment may only be made by BPAY®, cheque or money order. Cash will not be accepted via mail or at Boardroom Pty Limited. Payments cannot be made at any bank.

**REFER OVERLEAF FOR INSTRUCTIONS**

## Payment Option 1 – BPAY®

	<b>Bill Code:</b> <b>CRN:</b>	<b>Telephone &amp; Internet Banking - BPAY®</b> Contact your bank, credit union or building society to make this payment from your cheque, credit or savings account. More info: <a href="http://www.bpay.com.au">www.bpay.com.au</a> ® Registered to BPAY Ltd ABN 69 079 137 518
<ul style="list-style-type: none"><li>To pay via BPAY® please contact your participating financial institution</li><li>If paying by BPAY®, you do not need to complete and return the Entitlement and Acceptance Form</li></ul>		

## Payment Option 2 – Cheque or bank draft

<ul style="list-style-type: none"><li>Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.</li><li>Your cheque or bank draft must be made payable to "LatAm Autos Limited" and crossed Not Negotiable.</li><li>Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.</li></ul>
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### Please enter your contact details in case we need to contact you in relation to your application

CONTACT NAME	EMAIL ADDRESS	TELEPHONE

This document is of value and requires your immediate attention. If in doubt, please consult your stockbroker, solicitor, accountant or other professional advisor without delay.

The offer to which this Entitlement and Acceptance Form relates does not constitute an offer to any person who is not an Eligible Shareholder, and in particular is not being made to Shareholders with registered addresses outside Australia or New Zealand. This Entitlement and Acceptance Form does not constitute an offer in the United States of America (or to, or for the account or benefit of, US Persons) or in any jurisdiction in which, or to any persons to whom, it would not be lawful to make such an offer.

### ACCEPTANCE OF THE OFFER

By either returning the Entitlement and Acceptance Form together with your payment of the requisite Application Amount to Boardroom, or making payment by BPAY®, by 5.00pm (AEST) on 28 April 2020:

- you represent and warrant that you have read and understood and agree to the terms set out in this Form and acknowledge you have read the entire Offer Booklet issued in connection with the Entitlement Offer;
- you represent and warrant that you are not located in the United States or a U.S. Person and are not acting for the account or benefit of a U.S. Person or any other foreign person;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the constitution of LatAm Autos Limited; and
- your application to acquire New Shares is irrevocable and may not be varied or withdrawn except as allowed by law.

### HOW TO ACCEPT NEW SHARES OFFERED

- BPAY® payment method:** The requisite Application Amount payable by you in order to accept your Entitlement in full is shown in **Section A** on the first page of this Form. If you accept your full Entitlement and wish to apply for Additional New Shares, please complete **Sections B and C** (to determine your total Application Amount payable). Contact your Australian bank, credit union or building society to make this payment from your cheque, savings or credit account. For more information visit: [www.bpay.com.au](http://www.bpay.com.au). Refer to the front of this form for the Biller Code and Customer Reference Number. Payments must be received by BPAY® before 5.00 pm (AEST) on 28 April 2020.

If the BPAY® payment is for any reason not received in full, the Company may treat you as applying for as many New Shares as will be paid for by the cleared funds. Shareholders using the BPAY® facility will be bound by the provisions relating to this Offer. **You are not required to submit this Form if you elect to make payment using BPAY®.**

- Cheque payment method:** The requisite Application Amount payable by you in order to accept your Entitlement in full is shown in **Section A** on the first page of this Form. If you apply for your full Entitlement and wish to apply for Additional New Shares, please complete **Sections B and C** (to determine your total Application Amount payable). Send your cheque/bank draft and the completed Form to Boardroom Pty Limited at the address shown below so as to reach the Share Registry before the close of the Offer at 5.00 pm (AEST) on 28 April 2020. A reply paid envelope is enclosed for your convenience.

- PAYMENT - OVERSEAS RESIDENTS**

Eligible Shareholders who are overseas must obtain a bank draft in Australian currency payable on a bank in Australia, or where the Eligible Shareholder has an account with a bank in Australia, by a cheque drawn on that bank within Australia.

Overseas eligible shareholders are advised to ensure their form and payment are posted to Australia by airmail.

Personal cheques drawn on overseas banks in Australian or any foreign currency will not be accepted. These will be returned and the acceptance deemed to be invalid.

**Mailing Address:**  
Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001

**Hand Delivery Address:**  
Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney NSW 2000

### Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a Shareholder (including your name, address and details of the Shares you hold) to be included in the public register of the entity in which you hold Shares. Information is collected to administer your Shareholding and if some or all of the information is not collected then it might not be possible to administer your Shareholding. Your personal information may be disclosed to the entity in which you hold Shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

Our privacy policy is available on our website (<https://www.boardroomlimited.com.au/corp/privacy-policy>).