

LatAm Autos Limited
Appendix 4E
Preliminary final report

1. Company details

| | |
|-------------------|---------------------------------------|
| Name of entity: | LatAm Autos Limited |
| ABN: | 12 169 063 414 |
| Reporting period: | For the year ended 31 December 2015 |
| Previous period: | For the period ended 31 December 2014 |

2. Results for announcement to the market

| | | | \$'000 |
|---|----|-----------|----------|
| Revenues from ordinary activities | up | 602.8% to | 6,677 |
| Loss from ordinary activities after tax attributable to the owners of LatAm Autos Limited | up | 685.2% to | (14,448) |
| Loss for the year attributable to the owners of LatAm Autos Limited | up | 685.2% to | (14,448) |

Dividends

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

Comments

The loss for the Consolidated Entity after providing for income tax amounted to \$14,448,000 (31 December 2014: \$1,840,000).

This was the Consolidated Entity's first full year of operations as it commenced operations during the 2014 reporting period. Additional comments are contained in the Directors' Report in the accompanying Annual Report.

3. Net tangible assets

| | Reporting period Cents | Previous period Cents |
|---|------------------------------|-----------------------------|
| Net tangible assets per ordinary security | 5.98 | 5.40 |

4. Control gained over entities

Name of entities (or group of entities) Not Applicable

Date control gained

| | \$'000 |
|--|--------|
| Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material) | - |
| Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material) | - |

5. Loss of control over entities

Name of entities (or group of entities) Not Applicable

Date control lost

\$'000

Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)

-

Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material)

-

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

| Name of associate / joint venture | Reporting entity's percentage holding | | Contribution to profit/(loss) (where material) | |
|---|---------------------------------------|-------------------|--|------------------------|
| | Reporting period % | Previous period % | Reporting period \$'000 | Previous period \$'000 |
| Avisoriaweb S.A. | - | 49.90% | - | 8 |
| <i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i> | | | | |
| Profit/(loss) from ordinary activities before income tax | | | - | 8 |
| Income tax on operating activities | | | - | - |

Avisoriaweb S.A. was an associated entity of the consolidated entity from 13 October 2014 to 17 December 2014. Avisoriaweb S.A. became a wholly-owned subsidiary of LatAm Autos Limited on 17 December 2014.

9. Foreign entities

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

Not applicable.

10. Audit qualification or review

The financial statements have been audited and an unqualified opinion has been issued.

11. Attachments

The Annual Report of LatAm Autos Limited for the year ended 31 December 2015 is attached.

LatAm Autos Limited

ABN 12 169 063 414

Annual Report - 31 December 2015

LatAm Autos Limited
Contents
31 December 2015

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General information

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

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

Registered office

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

Principal place of business

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

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 February 2016. The directors have the power to amend and reissue the financial statements.

LatAm Autos Limited
Corporate directory
31 December 2015

Directors

Tim Handley (Executive Chairman)
 Simon Clausen (Non-Executive Director)
 Michael Fitzpatrick (Non-Executive Director)
 Colin Galbraith (Non-Executive Director)

Chief Executive Officer

Jorge Mejía Ribadeneira

Company secretaries

Melanie Leydin
 Gareth Bannan

Registered office

Level 4
 100 Albert Road
 South Melbourne VIC 3205
 Tel: +61 (3) 9692 7222
 Fax: +61 (3) 9077 9233

Principal place of business

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

Share register

Boardroom Pty Limited
 Level 12, 225 George Street
 Sydney NSW 2000
 Australia
www.boardroomlimited.com.au

Auditor

Grant Thornton Audit Pty Ltd
 The Rialto, Level 30
 525 Collins Street
 Melbourne VIC 3000

Solicitors

Minter Ellison
 Level 40, Governor Macquarie Tower
 1 Farrer Place
 Sydney NSW 2000

Grillo Higgins Lawyers
 Level 20, 31 Queen StreetMelbourne VIC 3000

Stock exchange listing

LatAm Autos Limited shares are listed on the Australian Securities Exchange (ASX code: LAA)

Website

www.latamautos.com



Chairman's Letter

Dear Shareholders,

On behalf of the Company's Board of Directors and Management, I am pleased to present the 2015 Annual Report for LatAm Autos (ASX:LAA). LatAm Autos is the leading dedicated online auto classifieds and content platform in Latin America (excluding Brazil). In the last year it has been rewarding to witness how fast we have been able to integrate all of our operations - including the technology and management team across six countries - into one of the most professional and momentum driven technology companies in Latin America.

The dedicated online classifieds business model is one that has been proven in multiple markets internationally, and applying this model to emerging markets, as we are in Latin America, is a huge opportunity that we are proud to bring to our investors.

Across our markets we continue to benefit from the explosion in smartphone use, rapid growth in internet penetration and the subsequent shift to online advertising globally. We are also seeing a trend in advertisers seeking a regional solution for targeting car buyers, which we are uniquely positioned to benefit from.

The company achieved a number of key milestones in the last year including the strengthening of our senior leadership team, the roll out of our proprietary technology PTX across all markets, the launch of our own automotive content platform, Motorbit.com, the delivery of several mobile products for car dealers and individuals alike. These investments in operations, technology and marketing are already having a significant impact, as demonstrated by the growth of our key operating metrics.

2016 promises to be an important step change for LatAm Autos as we continue to build our market position through a clear and aggressive strategy, and innovative solutions for individuals and companies looking to buy and sell vehicles through our online marketplace. We already have a number of exciting announcements in the pipeline including a major technology launch, partnerships with large regional providers of auto finance and insurance, providing new and exciting revenue streams.

In November we completed a capital raising of A\$20.2 million, and we are strongly positioned to accelerate our strategy. The success of the raise is a strong endorsement from investors on our achievements to date, and our strategy for the future. I would like to thank our shareholders for the tremendous support and confidence they have shown in our company since listing on the ASX.

I would also like to take this opportunity to thank our senior management team, and particularly our CEO Jorge Mejia, for their significant efforts in establishing a first class management team and company culture. Our employees – who we call 'Latammers' – now number over 180 across all markets, and have been key in creating a hard-working, innovative, dynamic and performance-based organisation with a bright future.

Yours sincerely,

Tim Handley
Executive Chairman



Level 4, 100 Albert Road, South Melbourne, Vic, 3205
Ph: 03 9692 7222 Fax: 03 9077 9233

LatAm Autos Limited
Directors' report
31 December 2015

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of LatAm Autos Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2015.

Directors

The following persons were directors of LatAm Autos Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Timothy Handley (Executive Chairman)
Simon Clausen (Non-Executive Director)
Michael Fitzpatrick (Non-Executive Director)
Colin Galbraith (Non-Executive Director)
Gareth Bannan (Alternate Director - appointed 31 March 2016)
Cameron Griffin (Alternate Director - appointed 31 March 2016)

Principal activities

The Consolidated Entity is a dedicated online auto classifieds business with operations in Mexico, Argentina, Ecuador, Peru, Panama and Bolivia. In these key Latin American markets ('LatAm Markets'), the Consolidated Entity provides a dedicated online auto classifieds platform to commercial sellers, private sellers and buyers of vehicles. The Consolidated Entity also offers premium automotive related content to automotive buyers and enthusiasts, as well as advertising services and solutions.

The Consolidated Entity also has an offline magazine in Argentina providing automotive related content, advertising services and automotive classifieds.

Dividends

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

Review of operations

Financial

The loss for the Consolidated Entity after providing for income tax amounted to \$14,448,000 (31 December 2014: \$1,840,000).

Group Overview

2015 was the first complete year of operations of the Company since incorporating in April 2014 and listing on the ASX in December 2014. The financial results in this annual report are the first time that all of the Company's acquisitions, which were all completed in 2H 2014, have been consolidated into the group financials for a full twelve-month period.

As a testament to the Company's pursuit of market share growth, operating metrics grew impressively in 2015, including (for the month of December 2015, with growth on prior corresponding period):

- Monthly Sessions: 21% to 7.8 million, with January 2016 rebounding to 9.3 million sessions
- Vehicle Listings: 133% to 177,250 with strong growth in key markets of Mexico and Argentina
- New and Used Car Dealers using LAA's websites: 78% to over 2,500 dealers
- Leads: 79% to 142,000
- Social media fans: 90% to approximately 442,000

Substantial progress was achieved throughout the year on the Company's goal to become the dominant online auto classified and content company in Latin America (excluding Brazil). 2015 was characterised by integrations, technology migrations and expansion on all fronts. Below is a summary of some of the key milestones achieved in 2015:

Technology

2015 was a very busy year for the technology team, with 65 projects completed and resulting in the achievement of many significant milestones including:

- PTX, the Company's proprietary software, was successfully implemented in all six countries. PTX was developed entirely in-house, ahead of schedule and within budget. The website provides users, both car buyers and sellers with a user experience that is unparalleled in Latin America. This migration represented a significant achievement for LatAm Autos as it allowed all of the Company's different websites to operate on the same platform, representing significant operating efficiencies
- New Android and iOS mobile applications were developed in-house and implemented in all countries in 1H 2015. These apps were improved throughout 2H 2015, and are currently undergoing major modifications that will provide users with unrivalled functionality
- The new car catalogue was released in all countries (www.seminuevos.com/catalogo-nuevos). This enables LatAm Autos to better monetise both new car dealers and car manufacturers
- Implementation of user reviews for new car models
- Launch of personalised 'while label' websites and apps for car dealers
- The internationalisation of all of the Company's websites

Operations

In the middle of the year the Company launched a pan Latin American content platform called www.motorbit.com. The benefits of having a strong regional content platform include being attractive to large regional advertisers (such as car and tyre manufactures, oil companies and financial institutions), strong traffic generation including long tail SEO and increasing brand leadership. Motorbit generates over 200 articles each month.

LatAm Autos introduced a used car valuation tool across most of its markets. The databases that drive the car valuation tools are proprietary to LatAm Autos and are the result of up to 15 years of listings information. LatAm Autos is excited about the potential to monetise this information in the future.

The Company commenced a pay per lead business model for specific customers in Mexico and Ecuador. While relatively small initially, the LatAm Autos is excited about the potential future revenue generation of this business model.

The Company successfully integrated and harmonised the operating procedures of the five different companies it acquired in 2H 2014. Including the implementation of CRM software Salesforce across all of its operations and commenced with the implementation of a company-wide ERP system.

Business intelligence is a core priority for LatAm Autos and by September 2015 the Company had implemented a sophisticated internal database to collect and analyse the millions of data points received each day from our users for the long term benefit of providing the best "big data" solutions for our customers and advertising clients, on a regional basis.

Call centre and customer success teams were centralised in head office in Quito, Ecuador for most countries' operations. The centrally located call centre has resulted in improved efficiency and quality control.

Also during the year, the LatAm Autos moved into a new head office in Quito and the Mexican business relocated offices in both Mexico City and Guadalajara.

Marketing

2015 was the first year that all of LatAm Autos' businesses received material marketing spend. Prior to being purchased by LatAm Autos, some of the businesses had not had any material marketing spend. In 2015 all of the Company's businesses received online, and in most cases offline, marketing support.

Marketing activities and spend were substantially higher in 2H 2015, than in 1H 2015, subsequent to the migration of all of the websites' technology platforms to PTX and the rebranding of each company. Rebranding enabled synergies across the region, as well as deliver one unified value proposition to regional customers.

Offline marketing mainly took the form of TV, radio, billboards and merchandising. Online marketing was focused on SEO, SEM, social media and display advertising.

Marketing started to offer commercial opportunities within the channels that the Company owns including social media joint campaigns, branded content and inbound strategies.

Personnel

The LatAm Autos team grew substantially in 2015, mainly in the areas of IT developers, marketing, call centre and customer success teams.

In addition to head count increase there was a major focus on having the correct professionals in the right positions. Particular focus was given to ensuring that the Mexican and Argentinean teams had the right people to drive those businesses.

The Company had 174 full time staff at the end of December 2015, all of whom were located in one of the Company's seven offices across Latin America.

Operational report by country

Mexico

The Company successfully merged its two Mexican businesses to have a single brand in the Mexican market. This resulted in the site demotores.com.mx being redirected to the Company's main Mexican site seminuevos.com. LatAm Autos benefits from having one brand in the Mexican market principally from marketing and operating efficiencies.

LatAm Autos' Mexican team was substantially bolstered in 2015, with key senior hires made in its Mexico City and Guadalajara offices. These hires are focused on dealership penetration and advertising revenues in Mexico's capital city and key regional cities. Additionally, Tim Handley, the Company's Executive Chairman, moved to Mexico City in mid-2015. Tim joins the Company's COO Ariel Cilento, in Mexico City providing further senior resources to this market. LatAm Autos' marketing team has also recently relocated to Mexico City.

Offline and online marketing spend was increased aggressively in 2H 2015 for the Seminuevos brand. This will continue in 2016 with Mexico being a key focus and largest market opportunity. Mexico continues to be a very attractive market for LatAm Autos with new car sales in the country reaching a record 1.4 million in 2015 representing annual growth of 19% year on year. In comparison there were 1.2 million new cars sold in Australia in 2015, which was also a record.

Penetration of car dealerships using seminuevos.com increased substantially in 2015. This was particularly pleasing as it signified the culmination of quality technology product, sufficient flow of car buyers to the site, brand awareness and LatAm Autos having the right people in its team in Mexico. Seminuevos currently enjoys market leadership among dedicated auto classifieds in Mexico and is perfectly placed to further increase its market position in 2016.

Technological improvements introduced by Seminuevos in 2015 include:

- Implementation of PTX as the technology platform, substantially improving user experience for both consumers and car dealers
- Introduction of mobile apps for consumers and car dealers
- Proprietary car valuation tool
- New car catalogue
- Automotive content information via linking to motorbit.com

In December 2015 Seminuevos' audience (measured by number of sessions) and listings were 1.7 million and 58,849 respectively. This represents year-on-year growth of 139% for listings and a slight decrease for traffic. December is generally a seasonally weak month for online auto classifieds. Seminuevos' audience (number of sessions) rebounded to 2.5 million in January 2016, representing 42% growth, year on year.

The vendors of seminuevos.com agreed to accept their deferred consideration in the form of LAA shares, which is a strong endorsement of the Company's operations in Latin American in general and Mexico in particular.

Argentina

The Argentinean business was extensively restructured and refined in 2015. This resulted in the Autofoco brand being refreshed, the appointment of a new Country Manager and other senior staff, extensive staff reorganization and right sizing of the office in Buenos Aires.

Similar to LatAm Autos' Mexican business, Autofoco received numerous technological improvements in 2015 including:

- Implementation of PTX as the technology platform
- Introduction of mobile apps for consumers and car dealers
- Proprietary car valuation tool
- New car catalogue
- Auto content information via linking to motorbit.com

The combination of these factors resulted in strong growth of the Autofoco business and it reclaiming the leadership position of dedicated auto classified verticals in Argentina.

In December 2015 Autofoco's audience (measured by number of sessions) and listings were 1.2 million and 59,393 respectively. This represents year-on-year growth of 32% and 88% respectively. December is generally a seasonally weak month for online auto classifieds. Autofoco's audience (number of sessions) rebounded to 1.6 million January 2016.

In December 2015 Mauricio Macri was elected as Argentina's new president. Macri has a business friendly reputation and is widely seen as being good for Argentina's economy after the country was governed for many years by leftist-leaning presidents. While a positive in the medium and long term, this may have short-term implications as distortions are reversed in Argentina's economy and political system.

Ecuador

The Patio Tuerca business performed well in 2015 considering the economic backdrop of the country. A large portion of Ecuador's economy is reliant on oil exports; accordingly, it was negatively impacted in 2015 because of the falling oil price.

In this environment, Patio Tuerca did well to maintain its audience numbers and increase the number of listings on its site. Patio Tuerca continues to be the dominant auto classified vertical in Ecuador. During 2015 increased focus was given to Guayaquil, Ecuador's largest city with a population of 5 million people, with a new office and revamped sales team.

The introduction of a new car, truck and motorbike catalogue (<http://ecuador.patiotuerca.com/catalogo-nuevos>) was another effort to increase Patio Tuerca's client base. Car manufactures and new car dealers haven't historically comprised a major component of Patio Tuerca's client base and are an attractive revenue opportunity for the Company.

In December 2015 Patio Tuerca's audience for Ecuador only (measured by number of sessions) and listings were 1.3 million and 22,737 respectively. This represents year-on-year growth of 134% for listings and flat for traffic. December is generally a seasonally weak month for online auto classifieds.

Peru

2015 was a transformative year for LatAm Autos' Peruvian business, Todoautos. Todoautos now has a much greater focus on listings and being an online auto classified company, in addition to an automotive content company. This is evident in the increase in listings on the site over the course of the year and increased dealership penetration.

Todoautos experienced a step change in technology in 2015 with the introduction of the new car catalogue, car valuation tool, mobile app for dealers and customers and the PTX operating system.

In December 2015 Todoautos' audience for (measured by number of sessions) and listings were 2.4 million and 24,387 respectively. This represents year-on-year growth of 7% and 430% respectively.

Similar to the vendors of the Mexican Seminuevos business, the vendors of the Peruvian business decided to accept their remaining deferred consideration in the form of LAA shares.

Panama & Bolivia

Panama and Bolivia, while considerably smaller than LatAm Autos' operations in other countries, grew materially in both audience and listings.

2015 was the first full year that the Panamanian business operated with a fully staffed office. Leveraging off the additional resources, the dealership penetration of the Patio Tuerca business has been particularly pleasing.

In line with previous years, the Bolivian business was operated from Ecuador.

Significant changes in the state of affairs

During the financial period the company:

- appointed Mr Gareth Bannan as alternate director for Mr Tim Handley, and appointed Mr Cameron Griffin as alternate director for Mr Mike Fitzpatrick;
- issued 610,408 fully paid ordinary shares in the Company to the vendors of the Seminuevos.com business, acquired by the Consolidated Entity during 2014, in full settlement of all outstanding deferred consideration payable on that acquisition;
- issued 1,122,842 fully paid ordinary shares in the Company to the vendors of the todoautos.com.pe businesses, acquired by the Consolidated Entity during 2014, in full settlement of all outstanding deferred consideration payable on that acquisition;
- Issued 58,064,515 ordinary fully paid shares by placement to sophisticated and institutional investors, raising \$18,000,000 before costs.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

Matters subsequent to the end of the financial year

On 20 January 2016 the Company issued 6,935,485 fully paid ordinary shares to directors of the Company, following approval by the shareholders. This share issue, which completed the share placement process commenced prior to 31 December 2015, raised proceeds of \$2,150,000.

No other matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Likely developments and expected results of operations

Off the back of strong operational performance in 2015, measured by key operating metrics and achieved milestones, and its recent capital raise of A\$20.2 million, the Company is ideally placed to achieve its goal of being the dominant online auto classified and content company in Latin America (excluding Brazil).

2016 will see management be able to spend more of its time focusing on growing the business, as opposed to issues such as integration of operations and migration of technologies. Mexico will continue to be a big focus for LatAm Autos in 2016, with management time and resources largely concentrated on that market.

The Company is excited about the technology that it is developing and will provide to customers and users in 2016, and believes that it will provide users with unparalleled functionality and user experience. Almost all of our IT team is now focused on developing mobile solutions. This coupled with solid marketing spend and an experienced management team, should result in substantial growth of the Company.

Environmental regulation

The Consolidated Entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

| | |
|--------------------------------------|---|
| Name: | Tim Handley |
| Title: | Executive Chairman |
| Qualifications: | Tim holds a Bachelor of Engineering degree (Honours) from the University of Melbourne, and a Masters of Commerce degree (major in Finance and Accounting) from the University of Sydney |
| Experience and expertise: | Tim is a co-founder and Director of LatAm Autos. Prior to co-founding LatAm Autos in early 2014, Tim worked for 11 years' in mergers & acquisitions, equity and debt capital markets experience (including 7 years in Latin America). Previously Tim worked at Gresham Partners and UBS. Tim also founded and was managing director of Chestnut Partners, a São Paulo, Brazil based corporate finance advisory business where he advised several leading Australian organisations on acquisitions and investments in Latin America. |
| Other current directorships: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | None |
| Interests in shares: | 28,125,000 fully paid ordinary shares |
| Interests in rights: | 541,666 performance rights |

| | |
|--------------------------------------|---|
| Name: | Simon Clausen |
| Title: | Non-Executive Director |
| Experience and expertise: | Simon has more than 18 years' experience in high growth technology businesses in both Australia, United States and Asia. His technical expertise includes proficiency in multiple software development languages, computer security and vulnerability analysis, and he is co-author and inventor of a number of technology patents. Focusing on consumer-centric software and Internet-enabled technology he founded and was CEO of WinGuides, which later became PC Tools. With Simon as CEO PC Tools grew to over \$100m in revenue, more than 250 employees and offices in 7 countries. PC Tools was acquired by Symantec Corporation (NASDAQ:SYMC) in October 2008 in one of Australia's largest ever technology acquisitions at the time. Following the acquisition Simon became a Vice President at Symantec, before leaving in 2009 and founding Startive Ventures, a specialised technology venture fund. In addition to numerous private company investments, Simon is a founding investor and non-executive director of Freelancer.com (ASX:FLN), the world's largest online marketplace for outsourcing, freelancing and crowdsourcing services. |
| Other current directorships: | Freelancer Limited (appointed April 2010) |
| Former directorships (last 3 years): | None |
| Special responsibilities: | None |
| Interests in shares: | 22,324,787 fully paid ordinary shares |

LatAm Autos Limited
Directors' report
31 December 2015

Name: Michael Fitzpatrick
Title: Non-Executive Director
Qualifications: Bachelor of Engineering with honours from the University of Western Australia and a Bachelor of Arts with Honours from Oxford University, where he was the 1975 Rhodes Scholar from Western Australia
Experience and expertise: After leaving professional football in 1983 and working for the Treasury of the State of Victoria and with investment banks in New York, Michael founded the pioneering infrastructure asset management company Hastings Funds Management Limited in 1994. Michael is chairman of Treasury Group Limited, a Sydney-based incubator of fund management companies, chairman of the Australian Football League and a former chairman of the Australian Sports Commission.
Other current directorships: Rio Tinto Limited (appointed 2006, retired May 2015), Treasury Group Limited (appointed 2006), Carnegie Wave Limited (appointed 2012)
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: 34,437,038 fully paid ordinary shares

Name: Colin Galbraith AM
Title: Non-Executive Director
Qualifications: Bachelor of Laws (Hons) and a Master of Laws from the University of Melbourne
Experience and expertise: Colin is a Special Advisor to Gresham Partners Limited. He joined Gresham in 2006 after 28 years as a partner of Allens Arthur Robinson. He is the Chair of CARE Australia (Chair), a Director of the Colonial Foundation and a Trustee of the Royal Melbourne Hospital Neuroscience Foundation.
Other current directorships:
Former directorships (last 3 years): Arrium Limited (appointed October 2000, retired 2015)
Special responsibilities: None
Interests in shares: 740,741 fully paid ordinary shares

Name: Gareth Bannan
Title: Alternate Director
Qualifications: Bachelor of Economics and Master of Finance, both from the University of New Wales
Experience and expertise: Gareth Bannan is co-founder, joint company secretary and Chief Financial Officer of the Company. Gareth has 11 years' financial management, mergers & acquisitions and capital markets experience (including 5 years in Latin America), and previously worked at Chestnut Partners (São Paulo), KPMG Corporate Finance (Sydney) and Rabobank (Sydney). Gareth has extensive operating and advisory experience in online classified companies in Latin America.
Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: Chief Financial Officer; Joint Company Secretary
Interests in shares: 19,375,000
Interests in rights: 333,334 performance rights

LatAm Autos Limited
Directors' report
31 December 2015

| | |
|--------------------------------------|---|
| Name: | Cameron Griffin |
| Title: | Alternate Director |
| Qualifications: | B. Comm., CA |
| Experience and expertise: | Cameron has 19 years of finance and investment industry experience having worked in Australia, the United Kingdom and the United States of America. Cameron currently runs the direct investment portfolio at Squitchy Lane Holdings, the private investment vehicle of the Fitzpatrick family office. Cameron previously held investment and advisory roles at Hastings Funds Management Ltd and EY (Corporate Finance). Cameron's other external appointments include directorships at AgCap Pty Ltd and Tappendium Pty Ltd, as well as a board observer role at Proterra, Inc, a US manufacturer of zero emission electric buses. Cameron holds a bachelor of Commerce from the University of Melbourne, is a Chartered Accountant and has completed post graduate studies at Harvard Business School. |
| Other current directorships: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | None |
| Interests in shares: | None |

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretaries

Melanie Leydin is joint company secretary and has 22 years' experience in the accounting profession and is a director and company secretary for a number of oil and gas, junior mining and exploration entities listed on the Australian Securities Exchange. She is a Chartered Accountant and is a Registered Company Auditor. She Graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of chartered accounting firm, Leydin Freyer, and Director of Leydin Freyer Corp Pty Ltd, specialising in outsourced company secretarial and financial duties for resources and biotechnology sectors.

Gareth Bannan is joint company secretary. Details of his qualifications and experience are set out in the Directors' information above.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2015, and the number of meetings attended by each director were:

| | Full Board Held | Full Board Attended |
|---|--------------------|------------------------|
| Tim Handley | 11 | 11 |
| Simon Clausen | 11 | 11 |
| Mike Fitzpatrick | 11 | 10 |
| Colin Galbraith | 11 | 11 |
| Cameron Griffin (alternate for Mike Fitzpatrick) | 1 | 1 |

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

The Company has not established a separate Remuneration and Nomination Committee or Audit and Risk Committee due to the majority of the Board being Non-Executive Directors.

Principles used to determine the nature and amount of remuneration

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms to the market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Consolidated Entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Consolidated Entity.

Alignment to shareholders' interests:

- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

In accordance with best practice corporate governance, the structure of Non-Executive Directors and executive remunerations are separate.

Non-Executive Directors' remuneration

In accordance with the Listing Rules, the total amount paid to all Non-Executive Directors for their services must not exceed in aggregate in any financial year the amount fixed by LatAm Autos' general meeting. This amount has been fixed by LatAm Autos at \$350,000. Annual Directors' fees currently agreed to be paid by LatAm Autos are \$55,000 to each of the Non-Executive Directors. The remuneration of Non-Executive Directors must not include a commission on, or a percentage of profits or operating revenue. Statutory superannuation is included in these amounts.

Directors may also be reimbursed for travel and other expenses reasonably incurred in attending to the Company's affairs.

Non-Executive Directors may be paid such additional or special remuneration as the Directors decide is appropriate where a Director performs extra work or services which are not in the capacity as Director of the Company or a subsidiary.

Executive remuneration

The Consolidated Entity and Company aim to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has three components:

- base pay and non-monetary benefits
- variable cash and share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the Consolidated Entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Consolidated Entity and provides additional value to the executive.

Short term incentive plan (STI)

Short-term incentives are used to differentiate rewards based on performance on a year-by-year basis. The principal performance indicator of the short-term incentive plan is based on the Company's financial performance and individual achievement of specified goals. The threshold level can differ for each individual and are reviewed each year. The Company has approved predetermined performance targets that must be met in order to trigger payments under the STI. Payments are made in the form of cash and/or shares. Key Management Personnel of the Consolidated Entity are eligible to participate in the STI program and the Board agreed, after the end of the reporting period, to award shares to them, as well as to other employees, in recognition of their work during the 2015 year. The value of the shares issued to the Key Management Personnel is include in the remuneration reported herein.

Long term incentive plan (LTIP)

During the 2015 year the Company implemented its long term incentive plan which will consist of the issue of performance rights to C-Level Executives and their direct reports. The LTIP is part of the Company's remuneration strategy and is designed to align the interests of management and shareholders and assist the Company in the attraction, motivation and retention of executives. In particular, the LTIP is designed to provide relevant executives with an incentive for future performance, with the conditions of vesting and exercise of the rights linked to both performance and service conditions. The conditions relate to the Company's Total Shareholder Return performance relative to peer and comparable ASX-listed companies, and staff remaining in employment.

Consolidated entity performance and link to remuneration

The remuneration of the Non-Executive Directors is not linked to the performance, share price or earnings of the Consolidated Entity. The remuneration of executives is linked to the performance, share price or earnings of the Consolidated Entity as described in the preceding section.

Details of remuneration

Amounts of remuneration

Details of the remuneration of the key management personnel of the Consolidated Entity are set out in the following tables.

The key management personnel of the Consolidated Entity consisted of the following directors of LatAm Autos Limited:

- Tim Handley (Executive Chairman)
- Simon Clausen (Non-Executive Director)
- Michael Fitzpatrick (Non-Executive Director)
- Colin Galbraith (Non-Executive Director)

And the following persons:

- Jorge Mejía Ribadeneira (Chief Executive Officer)
- Gareth Bannan (Chief Financial Officer, Joint Company Secretary and Alternate Director)

LatAm Autos Limited
Directors' report
31 December 2015

| | Short-term benefits | | | | Post-employment benefits | Share-based payments | |
|--|----------------------|---------------|--------------|--------|--------------------------|----------------------|-----------|
| | Cash salary and fees | Bonus | Cash expense | Annual | Super- | Equity- | Total |
| | \$ | Shares issued | allowance | leave | annuation | settled | \$ |
| 2015 | | \$ | \$ | \$ | \$ | \$ | |
| <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 | 240,000 | 75,000 | 48,000 | - | - | 9,732 | 372,732 |
| <i>Other Key Management Personnel:</i> | | | | | | | |
| Mr J Mejía Ribadeneira | 240,000 | 179,961 | 47,923 | - | - | 467,129 | 935,013 |
| Mr G Bannan (1) | 200,000 | 71,000 | 36,000 | 3,477 | - | 7,786 | 318,263 |
| | 835,456 | 325,961 | 131,923 | 3,477 | 9,544 | 484,647 | 1,791,008 |

(1) Mr Bannan was appointed as an Alternate Director on 31 March 2015. Mr Bannan is also Chief Financial Officer.

| | Short-term benefits | | | | Post-employment benefits | Share-based payments | |
|--|----------------------|---------------|--------------|----------|--------------------------|----------------------|---------|
| | Cash salary and fees | Bonus | Cash expense | Non- | Super- | Equity- | Total |
| | \$ | shares issued | allowance | monetary | annuation | settled | \$ |
| 2014 | | \$ | \$ | \$ | \$ | \$ | |
| <i>Non-Executive Directors:</i> | | | | | | | |
| Mr S Clausen (1) | 9,167 | - | - | - | - | - | 9,167 |
| Mr M Fitzpatrick (1) | 8,372 | - | - | - | 795 | - | 9,167 |
| Mr C Galbraith (2) | 5,581 | - | - | - | 530 | - | 6,111 |
| Mr G Handley (3) | 25,212 | - | - | - | - | - | 25,212 |
| <i>Executive Directors:</i> | | | | | | | |
| Mr T Handley | 74,407 | - | - | - | - | - | 74,407 |
| <i>Other Key Management Personnel:</i> | | | | | | | |
| Mr G Bannan (4) | 70,420 | - | - | - | - | - | 70,420 |
| Mr J Mejía Ribadeneira (5) | 38,594 | - | - | - | - | - | 38,594 |
| | 231,753 | - | - | - | 1,325 | - | 233,078 |

LatAm Autos Limited
Directors' report
31 December 2015

- (1) Mr Clausen and Mr Fitzpatrick were appointed as Directors on 1 November 2014.
(2) Mr Galbraith was appointed as a Director on 21 November 2014.
(3) Mr Handley resigned as a Director on 21 November 2014.
(4) Mr Bannan resigned as a Director on 25 November 2014 and was appointed Joint Company Secretary. Mr Bannan is also Chief Financial Officer.
(5) Mr Mejía Ribadeneira was appointed as Chief Executive Officer on 1 October 2014.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

| Name | Fixed remuneration | | At risk STI | At risk - STI | At risk - LTI | |
|--|--------------------|------|-------------|---------------|---------------|------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| <i>Non-Executive Directors:</i> | | | | | | |
| Mr S Clausen | 100% | 100% | - | - | - | - |
| Mr M Fitzpatrick | 100% | 100% | - | - | - | - |
| Mr C Galbraith | 100% | 100% | - | - | - | - |
| Mr G Handley | - | 100% | - | - | - | - |
| <i>Executive Directors:</i> | | | | | | |
| Mr T Handley | 78% | 100% | 19% | - | 3% | - |
| <i>Other Key Management Personnel:</i> | | | | | | |
| Mr J Ribadeneira | 31% | 100% | 67% | - | 2% | - |
| Mr G Bannan | 75% | 100% | 23% | - | 2% | - |

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

| | |
|----------------------|--|
| Name: | Tim Handley |
| Title: | Executive Chairman |
| Agreement commenced: | November 2014 |
| Term of agreement: | 3 years. 60 days' termination notice to Chestnut Partners Assessoria Financeira S.A. (or payment in lieu of notice) |
| Details: | The Consolidated Entity has a consultancy agreement with Chestnut Partners Assessoria Financeira S.A, a company controlled by Mr Handley, under which Mr Handley is engaged by the Consolidated Entity as Executive Chairman. Base Salary cost is AUD \$240,000. |

Short term incentive (STI): Up to AUD \$125,000, subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding period. The actual amount of the STI to be paid is \$75,000, expected to be settled by an issue of Company shares in February 2016.

Long term incentive: Performance Rights entitling the Executive to be issued up to 416,666 shares in the Company on 31 December 2018, subject to continued employment to that date, and the Company meeting performance targets set by the Board during the period. Upon vesting, each Right entitles the holder to receive one ordinary share in the Company at no cost to the employee. The number of Rights that will vest is contingent on the Company's total shareholder return (TSR) relative to comparable companies ("Peer Group") over a designated period, which is currently the period from the Company's ASX Listing date of 17 December 2014 to 31 December 2018. Vesting is also subject to the continued employment of the employee. The Rights expire on 30 January 2019, unless they lapse earlier.

Other benefits: Housing, insurance and other expatriate expenses up to AUD \$50,000.

LatAm Autos Limited
Directors' report
31 December 2015

Name: Jorge Mejía Ribadeneira
Title: Chief Executive Officer
Agreement commenced: October 2014
Term of agreement: 3 years. 60 days' termination notice to Adminweb S.A. (or payment in lieu of notice)
Details: Base Salary cost is AUD \$240,000.

Short term incentive (STI): Up to AUD \$269,000, subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding period. The actual amount of the STI to be paid is \$179,961, expected to be settled by an issue of Company shares in February 2016.

In addition to the above STI, an additional performance bonus of company shares to the value of \$450,000 was awarded by the Board during the year ended 31 December 2015 in recognition of the Chief Executive Officer's contribution to the successful establishment of the Consolidated Entity and its pre-ASX listing capital raising.

Long term incentive: Performance Rights entitling the Executive to be issued up to 733,334 shares in the Company on 31 December 2018, subject to continued employment to that date, and the Company meeting performance targets set by the Board during the period. Upon vesting, each Right entitles the holder to receive one ordinary share in the Company at no cost to the employee. The number of Rights that will vest is contingent on the Company's total shareholder return (TSR) relative to comparable companies ("Peer Group") over a designated period, which is currently the period from the Company's ASX Listing date of 17 December 2014 to 31 December 2018. Vesting is also subject to the continued employment of the employee. The Rights expire on 30 January 2019, unless they lapse earlier.

Other benefits: Travel and insurance expenses up to AUD \$50,000.

Name: Gareth Bannan
Title: Chief Financial Officer
Agreement commenced: November 2014
Term of agreement: 3 years. 4 weeks termination notice (or payment in lieu of notice)
Details: Base Salary cost is AUD \$200,000.

Short term incentive (STI): Up to AUD \$100,000, subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding period. The actual amount of the STI to be paid is \$71,000, expected to be settled by an issue of Company shares in February 2016.

Long term incentive: Performance Rights entitling the Executive to be issued up to 333,334 shares in the Company on 31 December 2018, subject to continued employment to that date, and the Company meeting performance targets set by the Board during the period. Upon vesting, each Right entitles the holder to receive one ordinary share in the Company at no cost to the employee. The number of Rights that will vest is contingent on the Company's total shareholder return (TSR) relative to comparable companies ("Peer Group") over a designated period, which is currently the period from the Company's ASX Listing date of 17 December 2014 to 31 December 2018. Vesting is also subject to the continued employment of the employee. The Rights expire on 30 January 2019, unless they lapse earlier.

Other benefits: Housing, insurance and other expatriate expenses up to AUD \$40,000.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2015 are set out below:

| Name | Date | Shares | Issue price | \$ |
|------------------------|-------------|-----------|-------------|---------|
| Mr J Mejia Ribadeneira | 12 May 2015 | 1,209,235 | \$0.3721 | 450,000 |

Options

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 31 December 2015.

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

| Holding details | Grant date | Vesting date & Expiry date | Fair value per right at grant date |
|--|-----------------|--|------------------------------------|
| Tim Handley - Service Rights | 13 July 2015 | Vest upon Release of Company's audited FY2015 financial results to the ASX. | \$0.28 |
| Tim Handley - Performance Rights Tranche A | 27 July 2015 | Vest 31 December 2018, provided service and Company performance conditions are met. Expire 30 January 2019 | \$0.159 |
| Tim Handley - Performance Rights Tranche B | 27 July 2015 | Vest 31 December 2018, provided service and Company performance conditions are met. Expire 30 January 2019 | \$0.168 |
| Jorge Mejía Ribadeneira - Performance Rights Tranche A | 27 July 2015 | Vest 31 December 2018, provided service and Company performance conditions are met. Expire 30 January 2019 | \$0.159 |
| Jorge Mejía Ribadeneira - Performance Rights Tranche B | 27 July 2015 | Vest 31 December 2018, provided service and Company performance conditions are met. Expire 30 January 2019 | \$0.168 |
| Gareth Bannan - Performance Rights Tranche A | 13 January 2016 | Vest 31 December 2018, provided service and Company performance conditions are met. Expire 30 January 2019 | \$0.159 |
| Gareth Bannan - Performance Rights Tranche B | 13 January 2016 | Vest 31 December 2018, provided service and Company performance conditions are met. Expire 30 January 2019 | \$0.168 |

Performance rights granted carry no dividend or voting rights.

Values of performance rights over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the year ended 31 December 2015 are set out below:

| Name | Value of rights granted during the year \$ | Value of rights vested during the year \$ | Value of rights lapsed during the year \$ | Remuneration consisting of rights for the year % |
|----------------------------------|---|--|--|---|
| Tim Handley - service rights | 75,000 | - | - | 19% |
| Tim Handley - performance rights | 68,125 | - | - | 3% |
| Jorge Mejía Ribadeneira | 119,900 | - | - | 2% |
| Gareth Bannan | 54,500 | - | - | 2% |

Additional information

The earnings of the Consolidated Entity for the two years to 31 December 2015 are summarised below:

| | 2015 \$'000 | 2014 \$'000 |
|--------------------------------|----------------|----------------|
| Sales revenue | 6,357 | 926 |
| EBITDA | (12,141) | (3,130) |
| EBIT | (13,279) | (3,177) |
| Profit/(loss) after income tax | (14,448) | (1,841) |

The factors that are considered to affect total shareholders return ('TSR') are summarised below.

| | 17/12/2014 | 31/12/2014 | 31/12/2015 |
|--|------------|------------|------------|
| Share price at financial year end (\$) | 0.25 | 0.26 | 0.30 |
| Basic earnings per share (cents per share) | - | (1.6) | (5.8) |
| Diluted earnings per share (cents per share) | - | (1.6) | (5.8) |

As the Company was first listed on the Australian Securities Exchange (ASX) on 17 December 2014, there is limited information regarding the Consolidated Entity's earnings and performance in the reporting period or past financial years. The table above shows, for information purposes, the closing market price of the Company's shares on the ASX on the listing date of 17 December 2014 and the last day of the reporting period, 31 December 2014.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial period by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

| | Balance at the start of the year | Received as part of remuneration | Additions | Disposals/ other | Balance at the end of the year |
|------------------------|--|--|-----------|---------------------|--------------------------------------|
| <i>Ordinary shares</i> | | | | | |
| Mr T Handley | 28,125,000 | - | - | - | 28,125,000 |
| Mr S Clausen | 20,222,223 | - | 2,102,564 | - | 22,324,787 |
| Mr M Fitzpatrick | 34,437,038 | - | - | - | 34,437,038 |
| Mr C Galbraith | 740,741 | - | - | - | 740,741 |
| Mr J Mejía Ribadeneira | 11,503,720 | 1,209,235 | - | - | 12,712,955 |
| Mr G Bannan | 19,375,000 | - | - | - | 19,375,000 |
| | 114,403,722 | 1,209,235 | 2,102,564 | - | 117,715,521 |

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

| | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|---------------------------|--|-----------|-----------|---------------------------------|--------------------------------------|
| <i>Performance rights</i> | | | | | |
| Mr T Handley | - | 541,666 | - | - | 541,666 |
| Mr J Mejía Ribadeneira | - | 733,334 | - | - | 733,334 |
| Mr G Bannan | - | 333,334 | - | - | 333,334 |
| | - | 1,608,334 | - | - | 1,608,334 |

None of the performance rights shown above had vested as at the end of the financial year.

This concludes the remuneration report, which has been audited.

Shares under option

There were no unissued ordinary shares of LatAm Autos Limited under option outstanding at the date of this report.

Shares under performance rights

Unissued ordinary shares of LatAm Autos Limited under performance rights at the date of this report are as follows:

| Performance rights series and Grant date | Vesting date | Exercise price | Number under rights |
|--|--|----------------|---------------------|
| Service rights - 13 July 2015 | Release of Company's audited FY2015 financial results to ASX | \$0.0000 | 277,778 |
| Performance rights - 27 July 2015 | 31 December 2018 | \$0.0000 | 3,366,670 |
| Performance rights - 13 January 2016 | 31 December 2018 | \$0.0000 | 333,334 |
| | | | <u>3,977,782</u> |

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of LatAm Autos Limited issued on the exercise of options during the year ended 31 December 2015 and up to the date of this report.

Shares issued on the exercise of performance rights

There were no ordinary shares of LatAm Autos Limited issued on the exercise of performance rights during the year ended 31 December 2015 and up to the date of this report.

Indemnity and insurance of officers

The Company has entered into deeds of access, insurance and indemnity with each Director which confirm each Director's right of access to certain books and records of LatAm Autos for a period of seven years after the Director ceases to hold office. This seven-year period may be extended where certain proceedings or investigations commence before that seven-year period expires.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 30 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 30 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

LatAm Autos Limited
Directors' report
31 December 2015

Officers of the company who are former audit partners of Grant Thornton Audit Pty Ltd

There are no officers of the company who are former audit partners of Grant Thornton Audit Pty Ltd

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 22.

Auditor

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Tim Handley
Executive Chairman

29 February 2016

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration To the Directors of LatAm Autos Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of LatAm Autos Limited for the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B.A. Mackenzie
Partner - Audit & Assurance

Melbourne, 29 February 2016

Grant Thornton Audit Pty Ltd ACN 130 913 594
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LatAm Autos Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2015

| | | Consolidated | |
|---|-------------|------------------------|------------------------|
| | Note | 2015 \$'000 | 2014 \$'000 |
| Revenue | 5 | 6,677 | 950 |
| Share of profits of associates accounted for using the equity method | 6 | - | 8 |
| Other income | 7 | 404 | 214 |
| Expenses | | | |
| Production costs | | (887) | (302) |
| Marketing expenses | | (5,519) | (139) |
| Employee benefits expense | 8 | (7,929) | (650) |
| Depreciation and amortisation expense | 8 | (1,138) | (47) |
| Operating lease expense | 8 | (697) | (139) |
| Professional and consulting fees expense | | (1,214) | (2,332) |
| Travel expense | | (511) | (285) |
| Technology expenses | | (752) | (40) |
| Other expenses | | (1,416) | (392) |
| Finance costs and related costs | 8 | (246) | (37) |
| Loss before income tax (expense)/benefit | | (13,228) | (3,191) |
| Income tax (expense)/benefit | 9 | (1,220) | 1,350 |
| Loss after income tax (expense)/benefit for the year attributable to the owners of LatAm Autos Limited | 26 | (14,448) | (1,841) |
| Other comprehensive income | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Foreign currency translation - exchange differences on translating foreign operations and subsidiaries | | 2,140 | 141 |
| Other comprehensive income for the year, net of tax | | 2,140 | 141 |
| Total comprehensive income for the year attributable to the owners of LatAm Autos Limited | | (12,308) | (1,700) |
| | | Cents | Cents |
| Basic earnings per share | 41 | (5.8) | (1.6) |
| Diluted earnings per share | 41 | (5.8) | (1.6) |

Refer to note 3 for detailed information on Restatement of comparatives.

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

LatAm Autos Limited
Statement of financial position
As at 31 December 2015

| | Note | Consolidated 2015 \$'000 | 2014 \$'000 |
|--------------------------------|-------------|---|------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 10 | 18,361 | 12,760 |
| Trade and other receivables | 11 | 3,322 | 1,945 |
| Inventories | 12 | 18 | 26 |
| Other | 13 | 157 | 266 |
| Total current assets | | <u>21,858</u> | <u>14,997</u> |
| Non-current assets | | | |
| Receivables | 14 | 351 | 818 |
| Plant and equipment | 15 | 525 | 227 |
| Intangibles | 16 | 25,018 | 24,183 |
| Deferred tax | 17 | 313 | 321 |
| Other | 18 | - | 54 |
| Total non-current assets | | <u>26,207</u> | <u>25,603</u> |
| Total assets | | <u>48,065</u> | <u>40,600</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 19 | 2,251 | 2,680 |
| Provisions | 20 | 1,122 | 446 |
| Other | 21 | 372 | 280 |
| Total current liabilities | | <u>3,745</u> | <u>3,406</u> |
| Non-current liabilities | | | |
| Deferred tax | 22 | 1,248 | 37 |
| Employee benefits | 23 | 24 | 23 |
| Total non-current liabilities | | <u>1,272</u> | <u>60</u> |
| Total liabilities | | <u>5,017</u> | <u>3,466</u> |
| Net assets | | <u>43,048</u> | <u>37,134</u> |
| Equity | | | |
| Issued capital | 24 | 56,992 | 38,834 |
| Reserves | 25 | 2,345 | 141 |
| Accumulated losses | 26 | (16,289) | (1,841) |
| Total equity | | <u>43,048</u> | <u>37,134</u> |

Refer to note 3 for detailed information on Restatement of comparatives.

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

LatAm Autos Limited
Statement of changes in equity
For the year ended 31 December 2015

| Consolidated | Issued capital \$'000 | Share based payments reserve \$'000 | Foreign currency translation reserve \$'000 | Retained profits/ (Accumulated losses) \$'000 | Total equity \$'000 |
|---|--------------------------------------|--|--|--|------------------------------------|
| Balance at 11 April 2014 | - | - | - | - | - |
| Loss after income tax benefit for the year | - | - | - | (1,841) | (1,841) |
| Other comprehensive income for the year, net of tax | - | - | 141 | - | 141 |
| Total comprehensive income for the year | - | - | 141 | (1,841) | (1,700) |
| Transactions with owners in their capacity as owners: | | | | | |
| Contributions of equity, net of transaction costs (note 24) | 38,710 | - | - | - | 38,710 |
| Share-based payments (note 42) | 124 | - | - | - | 124 |
| Balance at 31 December 2014 | <u>38,834</u> | <u>-</u> | <u>141</u> | <u>(1,841)</u> | <u>37,134</u> |

Refer to note 3 for detailed information on Restatement of comparatives.

| Consolidated | Issued capital \$'000 | Share based payments reserve \$'000 | Foreign currency translation reserve \$'000 | Retained profits/ (Accumulated losses) \$'000 | Total equity \$'000 |
|---|--------------------------------------|--|--|--|------------------------------------|
| Balance at 1 January 2015 | 38,834 | - | 141 | (1,841) | 37,134 |
| Loss after income tax expense for the year | - | - | - | (14,448) | (14,448) |
| Other comprehensive income for the year, net of tax | - | - | 2,140 | - | 2,140 |
| Total comprehensive income for the year | - | - | 2,140 | (14,448) | (12,308) |
| Transactions with owners in their capacity as owners: | | | | | |
| Contributions of equity, net of transaction costs (note 24) | 16,994 | - | - | - | 16,994 |
| Share-based payments (note 42) | 1,164 | 64 | - | - | 1,228 |
| Balance at 31 December 2015 | <u>56,992</u> | <u>64</u> | <u>2,281</u> | <u>(16,289)</u> | <u>43,048</u> |

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

LatAm Autos Limited
Statement of cash flows
For the year ended 31 December 2015

| | | Consolidated | |
|--|-------------|------------------------|------------------------|
| | Note | 2015 \$'000 | 2014 \$'000 |
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST and equivalents) | | 6,861 | 1,108 |
| Payments to suppliers and employees (inclusive of GST and equivalents) | | (16,734) | (3,665) |
| | | (9,873) | (2,557) |
| Interest received | | 54 | 23 |
| Net cash used in operating activities | 39 | (9,819) | (2,534) |
| Cash flows from investing activities | | | |
| Payment for purchase of businesses, net of cash acquired | 35 | (280) | (16,599) |
| Payments for plant and equipment | 15 | (417) | (189) |
| Payments for intangibles | 16 | (920) | (142) |
| Net cash used in investing activities | | (1,617) | (16,930) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | 24 | 18,000 | 33,275 |
| Share issue transaction costs | | (1,389) | (1,265) |
| Net cash from financing activities | | 16,611 | 32,010 |
| Net increase in cash and cash equivalents | | 5,175 | 12,546 |
| Cash and cash equivalents at the beginning of the financial year | | 12,760 | - |
| Effects of exchange rate changes on cash and cash equivalents | | 426 | 214 |
| Cash and cash equivalents at the end of the financial year | 10 | 18,361 | 12,760 |

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

The following Accounting Standards and Interpretations are most relevant to the Consolidated Entity:

- AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

Financial reporting period and comparative amounts

The Company was incorporated on 11 April 2014 and therefore the Consolidated Entity's previous reporting period was 11 April 2014 to 31 December 2014.

Accordingly, the relevant comparative amounts in these financial statements relate to reporting period 11 April 2014 to 31 December 2014.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 34.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 31 December 2015 and the results of all subsidiaries for the period then ended. The Company and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Note 1. Significant accounting policies (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The consolidated financial statements are presented in Australian dollars, which is LatAm's functional and presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings are taken to other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the consolidated statement of comprehensive income, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Note 1. Significant accounting policies (continued)

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes of duty.

The Consolidated Entity assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Consolidated Entity has concluded that it is acting as principal in all of its revenue arrangements.

Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Where services have not been provided but the Company is obligated to provide the services in the future, revenue recognition is deferred. Where the Group has utilised the services of a sales agency to sell advertising services on behalf of the Group, the sale is recorded at a value net of sales commissions paid to the sales agency. The specific recognition criteria described below must also be met before revenue is recognised.

Performance advertising

Revenues from performance advertising are recognised when the performance measure occurs and is generated (e.g. cost per click).

Banner advertising

Revenues from banner advertising are recognised in the period over which the advertisements are placed or as the advertisements are displayed depending on the type of advertising contract.

Interest income

Interest income is recognised on a time proportionate basis using the effective interest method.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 1. Significant accounting policies (continued)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Consolidated Entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Note 1. Significant accounting policies (continued)

Impairment of financial assets

The Consolidated Entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

| | |
|------------------------|------------|
| Leasehold improvements | 3-10 years |
| Plant and equipment | 3-10 years |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Consolidated Entity will obtain ownership at the end of the lease term.

Note 1. Significant accounting policies (continued)

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition.

Intangible assets acquired separately are initially recognised at cost.

Intangible assets with indefinite useful lives are not amortised, but treated for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. Amortisation expense is included in depreciation and amortisation expense in the Statement of profit or loss and other comprehensive income.

The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset.

The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date).

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the LatAm Combined Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis generally over 3-5 years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset.

Note 1. Significant accounting policies (continued)

Domain names and trademarks / software

When these assets are acquired as part of a business combination they are recognised separately from goodwill. The assets are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows of the contracts over their estimated useful lives, as follows:

Domain names and trademarks – 10 to 15 years

Software - 3 to 5 years

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

Provisions are recognised when the Consolidated Entity has a present (legal or constructive) obligation as a result of a past event, it is probable the Consolidated Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 1. Significant accounting policies (continued)

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 1. Significant accounting policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Consolidated Entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Consolidated Entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Consolidated Entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of LatAm Autos Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Note 1. Significant accounting policies (continued)

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 31 December 2015. The Consolidated Entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Consolidated Entity, are set out below.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Consolidated Entity will adopt this standard from 1 January 2018. The impact of the adoption of the standard is yet to be assessed by the Consolidated Entity in detail but its adoption is not expected to have a material impact on the Consolidated Entity.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables (Note 11)

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Estimation of useful lives of assets (Notes 15 and 16)

The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets (Note 16)

The Consolidated Entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets (Note 15)

The Consolidated Entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Consolidated Entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax (Note 9)

The Consolidated Entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Consolidated Entity recognises liabilities for anticipated tax audit issues based on the Consolidated Entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets (Note 17)

Deferred tax assets are recognised for deductible temporary differences only if the Consolidated Entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision (Note 20)

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Business combinations (Note 35)

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Consolidated Entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3. Restatement of comparatives

Retrospective fair value adjustments on finalisation of business combination accounting

During the previous financial period the Consolidated Entity made a number of business acquisitions, details of which are set out in Note 35.

In relation to some of the business acquisitions, the Consolidated Entity originally performed a provisional assessment of the fair value of the assets and liabilities as at the date of the acquisition and for the purposes of the balance sheet as at 31 December 2014, the assets and liabilities were originally recorded at provisional fair values.

Under Australian Accounting Standards, the Consolidated Entity had up to 12 months from the date of acquisition to complete its initial acquisition accounting. The Consolidated Entity has completed this exercise to consider the fair value of intangible assets acquired in the acquisitions and, in accordance with Accounting Standards, has retrospectively adjusted the values of the relevant identifiable intangible assets and have transferred the differences between the provisional valuation and the finalised fair value to the respective Goodwill accounts.

The adjustments to the fair values have an equal and opposite impact on the goodwill recorded on acquisition. Accordingly, such adjustments have no impact on the aggregate of the net assets or the Consolidated Entity's net profit after tax with the exception of any amortisation charges.

Details of specific adjustments are set out in Note 35.

Statement of profit or loss and other comprehensive income

| | Consolidated | | |
|---|-------------------------------------|------------------------------|-------------------------------------|
| Extract | 2014 \$'000 Reported | \$'000 Adjustment | 2014 \$'000 Restated |
| Expenses | | | |
| Depreciation and amortisation expense | (97) | 50 | (47) |
| Loss before income tax benefit | (3,241) | 50 | (3,190) |
| Income tax benefit | 61 | 1,289 | 1,350 |
| Loss after income tax (expense)/benefit for the year attributable to the owners of LatAm Autos Limited | (3,180) | 1,339 | (1,841) |
| Other comprehensive income | | | |
| Foreign currency translation - exchange differences on translating foreign operations and subsidiaries | 4 | 137 | 141 |
| Other comprehensive income for the year, net of tax | 4 | 137 | 141 |
| Total comprehensive income for the year attributable to the owners of LatAm Autos Limited | (3,176) | 1,476 | (1,700) |

Note 3. Restatement of comparatives (continued)

| | Cents Reported | Cents Adjustment | Cents Restated |
|----------------------------|---------------------------|-----------------------------|---------------------------|
| Basic earnings per share | (2.7) | 1.1 | (1.6) |
| Diluted earnings per share | (2.7) | 1.1 | (1.6) |

Statement of financial position at the beginning of the earliest comparative period

When there is a restatement of comparatives, it is mandatory to provide a third statement of financial position at the beginning of the earliest comparative period, being 11 April 2014, the incorporation date of the Parent Entity. However, as there were no adjustments made as at 11 April 2014, the Consolidated Entity has elected not to show the 11 April 2014 statement of financial position.

Statement of financial position at the end of the earliest comparative period

| Extract | 2014 \$'000 Reported | Consolidated \$'000 Adjustment | 2014 \$'000 Restated |
|-----------------------------|-------------------------------------|---|-------------------------------------|
| Assets | | | |
| Current assets | | | |
| Trade and other receivables | 1,654 | 291 | 1,945 |
| Total current assets | 14,706 | 291 | 14,997 |
| Non-current assets | | | |
| Intangibles | 22,996 | 1,187 | 24,183 |
| Total non-current assets | 24,416 | 1,187 | 25,603 |
| Total assets | 39,122 | 1,478 | 40,600 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 2,678 | 2 | 2,680 |
| Total current liabilities | 3,404 | 2 | 3,406 |
| Total liabilities | 3,464 | 2 | 3,466 |
| Net assets | 35,658 | 1,476 | 37,134 |
| Equity | | | |
| Reserves | 4 | 137 | 141 |
| Accumulated losses | (3,180) | 1,339 | (1,841) |
| Total equity | 35,658 | 1,476 | 37,134 |

Note 4. Operating segments

Identification of reportable operating segments

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

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

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

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

The reportable segments are:

| | |
|-----------|--------|
| Argentina | Mexico |
| Ecuador | Peru |
| Panama | |

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

Intersegment transactions

There were no material intersegment transactions during the reporting period.

Major customers

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

Note 4. Operating segments (continued)

Operating segment information, including reconciliation to Group totals

| Consolidated 2015 | Argentina \$'000 | Ecuador \$'000 | Panama \$'000 | Mexico \$'000 | Peru \$'000 | Total reportable segments \$'000 |
|-----------------------------|-----------------------------|---------------------------|--------------------------|--------------------------|------------------------|---|
| Revenue | | | | | | |
| Sales to external customers | 2,471 | 1,859 | 111 | 1,442 | 474 | 6,357 |
| Total sales revenue | 2,471 | 1,859 | 111 | 1,442 | 474 | 6,357 |
| Operating expenses | (6,545) | (1,712) | (249) | (3,412) | (842) | (12,760) |
| EBITDA | (4,074) | 147 | (138) | (1,970) | (368) | (6,403) |

| Consolidated 2014 | Argentina \$'000 | Ecuador \$'000 | Panama \$'000 | Mexico \$'000 | Peru \$'000 | Total reportable segments \$'000 |
|-----------------------------|-----------------------------|---------------------------|--------------------------|--------------------------|------------------------|---|
| Revenue | | | | | | |
| Sales to external customers | 677 | 95 | 16 | 44 | 94 | 926 |
| Total sales revenue | 677 | 95 | 16 | 44 | 94 | 926 |
| Operating expenses | (1,058) | (169) | (45) | (214) | (166) | (1,652) |
| EBITDA | (381) | (74) | (29) | (170) | (72) | (726) |

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

| | 2015 \$'000 | 2014 \$'000 |
|---|------------------------|------------------------|
| Revenue | | |
| Total reportable segment revenues | 6,357 | 926 |
| Interest income | 54 | 23 |
| Equity-accounted share of profit of associate | - | 8 |
| Other revenue | 266 | 1 |
| Group revenues | 6,677 | 958 |

| | 2015 \$'000 | 2014 \$'000 |
|---|------------------------|------------------------|
| Profit or loss | | |
| Total reportable segment EBITDAs | (6,403) | (726) |
| Interest income | 54 | 23 |
| Equity-accounted share of profit of associate | - | 8 |
| Other revenue | 266 | 1 |
| Foreign exchange gain | 388 | 214 |
| Financial expenses | (246) | (37) |
| Other income | - | - |
| Depreciation and amortisation expenses | (1,138) | (47) |
| Share-based payments expense | (1,264) | - |
| Other non-segment expenses | (4,885) | (2,627) |
| Income tax (expense)/benefit | (1,220) | 1,350 |
| Group profit/(loss) after income tax expense/benefit | (14,448) | (1,841) |

Note 4. Operating segments (continued)

Geographical information

| | Sales to external customers 2015 \$ | Sales to external customers 2014 \$ | Geographical non-current assets 2015 \$ | Geographical non-current assets 2014 \$ |
|-----------|---|---|---|---|
| Australia | - | - | 2 | 1 |
| Argentina | 2,471 | 677 | 106 | 101 |
| Ecuador | 1,859 | 95 | 12,466 | 12,060 |
| Panama | 111 | 16 | 9 | 8 |
| Mexico | 1,442 | 44 | 8,227 | 9,316 |
| Peru | 474 | 94 | 1,635 | 1,791 |
| | <u>6,357</u> | <u>926</u> | <u>22,445</u> | <u>23,277</u> |

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

Note 5. Revenue

| | Consolidated | |
|----------------------|---------------------|-------------------|
| | 2015 \$'000 | 2014 \$'000 |
| <i>Sales revenue</i> | | |
| Sales revenue | <u>6,357</u> | <u>926</u> |
| <i>Other revenue</i> | | |
| Interest | 54 | 23 |
| Other revenue | <u>266</u> | <u>1</u> |
| | <u>320</u> | <u>24</u> |
| Revenue | <u><u>6,677</u></u> | <u><u>950</u></u> |

Online sales revenue is revenue generated from the group's auto classified and content businesses.

These businesses were acquired at different times during the previous reporting period and relevant revenue was recognised in the Consolidated Entity during that period from the respective acquisition dates as follows:

- Autofoco.com (Argentina) 15 September 2014
- Demotores.com.mx (Mexico): 24 December 2014
- Seminuevos.com.mx (Mexico): 22 October 2014
- Patiotuerca.com (Ecuador, Panama, Bolivia): 17 December 2014
- Todoautos.com.pe (Peru): 31 October 2014

Note 6. Share of profits of associates accounted for using the equity method

| | Consolidated | |
|------------------------------|--------------|--------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Share of profit - associates | - | 8 |

Note 7. Other income

| | Consolidated | |
|---------------------------|--------------|--------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Net foreign exchange gain | 404 | 214 |

Note 8. Expenses

| | Consolidated | |
|---|--------------|--------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Loss before income tax includes the following specific expenses: | | |
| <i>Depreciation</i> | | |
| Plant and equipment | 94 | 3 |
| <i>Amortisation</i> | | |
| Software | 817 | 27 |
| Domain names and trademarks | 193 | 12 |
| Content | 34 | 5 |
| Total amortisation | 1,044 | 44 |
| Total depreciation and amortisation | 1,138 | 47 |
| <i>Finance costs</i> | | |
| Interest paid | 3 | 37 |
| Commissions, bank fees and transaction fees | 243 | - |
| Finance costs expensed | 246 | 37 |
| <i>Rental expense relating to operating leases</i> | | |
| Minimum lease payments | 697 | 139 |
| <i>Superannuation expense</i> | | |
| Defined contribution superannuation expense | 575 | 84 |
| <i>Share-based payments expense - employment-related</i> | | |
| Share-based payments expense - equity-settled | 1,264 | - |
| <i>Employee benefits expense</i> | | |
| Employee benefits expense excluding superannuation and share-based payments | 6,090 | 566 |
| Total employee benefits expense | 7,929 | 650 |
| <i>Share-based payments expense - non-employment-related</i> | | |
| Share-based payments expense - equity-settled | 60 | - |

Note 9. Income tax expense/(benefit)

| | Consolidated | |
|---|---------------------|----------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| <i>Income tax expense/(benefit)</i> | | |
| Current tax | 33 | (1,289)) |
| Deferred tax - origination and reversal of temporary differences | 1,187 | (61) |
| Aggregate income tax expense/(benefit) | <u>1,220</u> | <u>(1,350)</u> |
| Deferred tax included in income tax expense/(benefit) comprises: | | |
| Decrease/(increase) in deferred tax assets (note 17) | 885 | (61) |
| Increase in deferred tax liabilities (note 22) | 302 | - |
| Deferred tax - origination and reversal of temporary differences | <u>1,187</u> | <u>(61)</u> |
| <i>Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate</i> | | |
| Loss before income tax (expense)/benefit | <u>(13,228)</u> | <u>(3,191)</u> |
| Tax at the statutory tax rate of 30% | (3,968) | (957) |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Share-based payment | 379 | - |
| Tax rate differential on accounting profit/(loss) | 178 | (1) |
| Exchange variations and other translation adjustments | 61 | (13) |
| Other permanent differences | 503 | 251 |
| Non-deductible amortisation | 388 | - |
| Non-deductible IPO costs | - | 596 |
| Deferred tax asset not recognised | 27 | 23 |
| Other | 2 | (25) |
| Current year tax losses not recognised | (2,430) | (215) |
| De-recognition of carry forward tax losses | 2,268 | 243 |
| Recognition of deferred tax liability on business acquisition | 1,382 | - |
| | <u>-</u> | <u>(1,289)</u> |
| Income tax expense/(benefit) | <u>1,220</u> | <u>(1,350)</u> |

| | Consolidated | |
|---|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| <i>Amounts credited directly to equity</i> | | |
| Deferred tax assets (note 17) | - | (57) |
| <i>Tax losses not recognised</i> | | |
| Unused tax losses for which no deferred tax asset has been recognised | <u>8,927</u> | <u>797</u> |
| Potential tax benefit at statutory tax rates | <u>2,502</u> | <u>243</u> |

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses, which have been generated in different tax jurisdictions in which the Consolidated Entity operates, can only be utilised in the future if the Consolidated Entity is able to comply with the respective jurisdictions' requirements for utilising tax losses.

Note 10. Current assets - cash and cash equivalents

| | Consolidated | |
|--------------|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Cash at bank | 18,361 | 12,760 |

Note 11. Current assets - trade and other receivables

| | Consolidated | |
|---|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Trade receivables | 1,345 | 666 |
| Less: Provision for impairment of receivables | (100) | (32) |
| | 1,245 | 634 |
| Other accounts receivable | 75 | 193 |
| Sales taxes receivable - current | 2,002 | 1,118 |
| | 3,322 | 1,945 |

Impairment of receivables

The Consolidated Entity has raised a provision for impairment of debtors of \$100,000 in profit or loss in respect of impairment of receivables for the period ended 31 December 2015 (31 December 2014 - \$32,000)

Debtors have been assessed as impaired following a review of outstanding debtors at reporting date and identification of objective evidence that the Consolidated Entity will not be able to collect all amounts due according to the original terms of the receivables. Indicators that some trade receivables may be impaired, including significant financial difficulties of debtors, probability that debtors may enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) were identified during the review and an appropriate provision was raised.

The ageing of the impaired receivables provided for above are as follows:

| | Consolidated | |
|---------------------------|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Less than 1 month overdue | 1 | - |
| 1 to 2 months overdue | 2 | - |
| 2 to 3 months overdue | 11 | - |
| Over 3 months overdue | 86 | 32 |
| | 100 | 32 |

Movements in the provision for impairment of receivables are as follows:

| | Consolidated | |
|--|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Opening balance | 32 | - |
| Additional provisions recognised | 74 | 32 |
| Receivables written off during the year as uncollectable | (6) | - |
| Closing balance | 100 | 32 |

Note 11. Current assets - trade and other receivables (continued)

Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to \$314,000 as at 31 December 2015 (\$95,000 as at 31 December 2014).

The Consolidated Entity did not consider a credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

| | Consolidated | |
|-----------------------------|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Less than one month overdue | 114 | 36 |
| 1 to 2 months overdue | 55 | 21 |
| 2 to 3 months overdue | 67 | 2 |
| Over 3 months overdue | 78 | 36 |
| | <u>314</u> | <u>95</u> |

Note 12. Current assets - inventories

| | Consolidated | |
|-------------------------|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Stock on hand - at cost | <u>18</u> | <u>26</u> |

Note 13. Current assets - other

| | Consolidated | |
|-------------|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Prepayments | <u>157</u> | <u>266</u> |

Note 14. Non-current assets - receivables

| | Consolidated | |
|--------------------------------------|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Sales taxes receivable - non-current | <u>351</u> | <u>818</u> |

Note 15. Non-current assets - plant and equipment

| | Consolidated | |
|--------------------------------|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Plant and equipment - at cost | 594 | 230 |
| Less: Accumulated depreciation | <u>(69)</u> | <u>(3)</u> |
| | <u>525</u> | <u>227</u> |

Note 15. Non-current assets - plant and equipment (continued)

Reconciliations

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

| Consolidated | Plant & equipment \$'000 | Total \$'000 |
|---|---|-------------------------|
| Balance at 11 April 2014 | - | - |
| Additions | 189 | 189 |
| Additions through business combinations (note 35) | 58 | 58 |
| Exchange differences | (17) | (17) |
| Depreciation expense | (3) | (3) |
| | <hr/> | <hr/> |
| Balance at 31 December 2014 | 227 | 227 |
| Additions | 417 | 417 |
| Disposals | (31) | (31) |
| Exchange differences | 10 | 10 |
| Write off of assets | (4) | (4) |
| Depreciation expense | (94) | (94) |
| | <hr/> | <hr/> |
| Balance at 31 December 2015 | <u>525</u> | <u>525</u> |

Note 16. Non-current assets - intangibles

| | Consolidated | |
|--|------------------------|------------------------|
| | 2015 \$'000 | 2014 \$'000 |
| Goodwill - at cost | <u>19,247</u> | <u>18,675</u> |
| Software - at cost | 3,808 | 2,696 |
| Less: Accumulated amortisation - software | <u>(785)</u> | <u>(26)</u> |
| | <u>3,023</u> | <u>2,670</u> |
| Domain names and trademarks - at cost | 2,844 | 2,718 |
| Less: Accumulated amortisation - Domain names and trademarks | <u>(194)</u> | <u>(12)</u> |
| | <u>2,650</u> | <u>2,706</u> |
| Content - at cost | 136 | 137 |
| Less: Accumulated amortisation - Content | <u>(38)</u> | <u>(5)</u> |
| | <u>98</u> | <u>132</u> |
| | <u>25,018</u> | <u>24,183</u> |

Note 16. Non-current assets - intangibles (continued)

Reconciliations

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

| Consolidated | Content \$'000 | Domain names and trademarks \$'000 | Software \$'000 | Goodwill \$'000 | Total \$'000 |
|---|---------------------------|---|----------------------------|----------------------------|-------------------------|
| Balance at 11 April 2014 | - | - | - | - | - |
| Additions | - | - | 142 | - | 142 |
| Additions through business combinations (note 35) | 131 | 2,689 | 2,538 | 18,579 | 23,937 |
| Other adjustments | - | - | - | - | - |
| Exchange differences | 6 | 29 | 16 | 96 | 147 |
| Amortisation expense | (5) | (12) | (26) | - | (43) |
| Balance at 31 December 2014 | 132 | 2,706 | 2,670 | 18,675 | 24,183 |
| Additions | - | 31 | 889 | - | 920 |
| Amortisation expense | (34) | (193) | (820) | - | (1,047) |
| Other adjustments | - | - | (89) | - | (89) |
| Exchange differences | - | 106 | 373 | 572 | 1,051 |
| Balance at 31 December 2015 | <u>98</u> | <u>2,650</u> | <u>3,023</u> | <u>19,247</u> | <u>25,018</u> |

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

| | Consolidated | |
|--|------------------------|------------------------|
| | 2015 \$'000 | 2014 \$'000 |
| Demotores.com.mx & Seminuevos.com (Mexico) | 7,954 | 8,321 |
| PatioTuerca.com (Ecuador, Panama, Bolivia) | 9,672 | 8,716 |
| Todoautos.pe (Peru) | 1,621 | 1,638 |
| Goodwill allocation at 31 December | <u>19,247</u> | <u>18,675</u> |

Management has undertaken an impairment assessment of goodwill based on comparable entities' relative value metrics and operating performances of businesses when compared to the operating key performance indicators of the Consolidated Entity. The key assumptions and processes used in the assessment were:

- an average 2015 Enterprise Value / Revenue multiple of 10.9x was derived from 17 listed companies comparable to LAA
- applied to this multiple was:
 - o a 20% "liquidity" discount
 - o a 20% "size" discount
 - o a 30% "control" premium

This equated to an appropriate 2015 EV/Revenue multiple of 9.8x being applied to the actual 2015 revenue.

Identifiable intangible assets with finite lives - remaining amortisation periods

Domain names and trademarks - 11.25 years
 Software - 2.75 years

Note 17. Non-current assets - deferred tax

| | Consolidated | |
|--|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| <i>Deferred tax asset comprises temporary differences attributable to:</i> | | |
| Amounts recognised in profit or loss: | | |
| Tax losses | 29 | 1,377 |
| Intangible assets | - | (1,304) |
| Provisions | 212 | 188 |
| Other temporary differences | 15 | 3 |
| | <u>256</u> | <u>264</u> |
| Amounts recognised in equity: | | |
| Transaction costs on share issue | 57 | 57 |
| Deferred tax asset | <u>313</u> | <u>321</u> |
| <i>Movements:</i> | | |
| Opening balance | 321 | - |
| Credited/(charged) to profit or loss (note 9) | (885) | 61 |
| Credited to equity (note 9) | - | 57 |
| Additions through business combinations (note 35) | - | 203 |
| Exchange rate adjustments | (45) | - |
| Transfer to deferred tax liability | 922 | - |
| Closing balance | <u>313</u> | <u>321</u> |

Note 18. Non-current assets - other

| | Consolidated | |
|-------------------|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Security deposits | <u>-</u> | <u>54</u> |

Note 19. Current liabilities - trade and other payables

| | Consolidated | |
|---|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Trade payables | 1,989 | 1,040 |
| Deferred consideration payable on business acquisitions | - | 814 |
| Accrued expenses | - | 546 |
| Sales tax payable | 212 | 197 |
| Other payables | 50 | 83 |
| | <u>2,251</u> | <u>2,680</u> |

Refer to note 28 for further information on financial instruments.

Deferred consideration payable on business acquisitions as at 31 December 2014 comprised \$814,374 of deferred payables relating to the acquisitions of the Seminuevos.com and the Todoautos.com.pe businesses. These amounts were settled in full during the current reporting period.

Note 20. Current liabilities - provisions

| | Consolidated | |
|--|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Employee benefits | 969 | 213 |
| Provisions - labour and regulatory costs | 150 | 106 |
| Provisions - service fees payable | - | 82 |
| Provisions - other | 3 | 45 |
| | <u>1,122</u> | <u>446</u> |

Labour and regulatory costs

The provision represents: (i) management's estimate of labour-related and regulatory-related costs arising from past activities which are not currently payable and in relation to which no confirmation of liability has yet been ascertained but which may become payable in the future upon provision of relevant documentation; and (ii) as at 31 December 2015, includes a provision for issue of shares to employees relating to the year ended 31 December 2015 but to be granted after year end.

Service fees payable

The provision represents management's estimate of costs for services provided to the Consolidated Entity by external service suppliers prior to the reporting date, but for which no specific amount payable can yet be precisely determined.

Movements in provisions

Movements in each class of provision during the current financial period are set out below:

| | Labour and regulatory costs \$'000 | Service fees \$'000 | Other \$'000 |
|--|---|------------------------|-----------------|
| Consolidated - 2015 | | | |
| Carrying amount at the start of the year | 106 | 82 | 45 |
| Additional provisions recognised | 83 | 496 | 118 |
| Payments | (12) | (570) | (156) |
| Eliminations | - | - | (2) |
| FX translation adjustment | (27) | (8) | (2) |
| | <u>150</u> | <u>-</u> | <u>3</u> |

Note 21. Current liabilities - other

| | Consolidated | |
|------------------|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Deferred revenue | <u>372</u> | <u>280</u> |

Note 22. Non-current liabilities - deferred tax

| | Consolidated | |
|--|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| <i>Deferred tax liability comprises temporary differences attributable to:</i> | | |
| Amounts recognised in profit or loss: | | |
| Employee participation in profit | 274 | - |
| Intangibles | 937 | - |
| Other | 37 | 37 |
| | <u>1,248</u> | <u>37</u> |
| Deferred tax liability | <u>1,248</u> | <u>37</u> |
| <i>Movements:</i> | | |
| Opening balance | 37 | - |
| Charged to profit or loss (note 9) | 302 | - |
| Additions through business combinations (note 35) | - | 37 |
| Exchange rate adjustments | (13) | - |
| Transfer from Deferred tax asset | 922 | - |
| | <u>1,248</u> | <u>37</u> |
| Closing balance | <u>1,248</u> | <u>37</u> |

Note 23. Non-current liabilities - employee benefits

| | Consolidated | |
|-------------------|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Employee benefits | <u>24</u> | <u>23</u> |

Note 24. Equity - issued capital

| | Consolidated | | | |
|------------------------------|---------------------|--------------------|---------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| | Shares | Shares | \$'000 | \$'000 |
| Ordinary shares - fully paid | <u>301,289,131</u> | <u>239,822,166</u> | <u>56,992</u> | <u>38,834</u> |

Note 24. Equity - issued capital (continued)

Movements in ordinary share capital

| Details | Date | Shares | Issue price | \$'000 |
|--|------------------|--------------------|-------------|---------------|
| Balance | 11 April 2014 | - | | - |
| Founder shares issued on incorporation | 11 April 2014 | 50,000,000 | \$0.0000 | 50 |
| Shares issued through placement | 25 May 2014 | 57,000,000 | \$0.0500 | 2,850 |
| Shares issued through placement | 3 June 2014 | 3,000,000 | \$0.0500 | 150 |
| Shares issued in lieu of payment for services | 21 August 2014 | 480,000 | \$0.0500 | 24 |
| Shares issued through placement | 16 October 2014 | 45,277,795 | \$0.2700 | 12,225 |
| Shares issued in lieu of payment for services | 16 October 2014 | 370,371 | \$0.2700 | 100 |
| Shares issued as part consideration for Avisoriaweb S.A. acquisition | 16 December 2014 | 23,694,000 | \$0.3000 | 7,108 |
| Shares issued via Initial Public Offer | 17 December 2014 | 60,000,000 | \$0.3000 | 18,000 |
| Costs of issuing shares | | - | \$0.0000 | (1,673) |
| Balance | 31 December 2014 | 239,822,166 | | 38,834 |
| Shares issued to settle employee entitlement | 12 May 2015 | 286,487 | \$0.3700 | 106 |
| Bonus shares issued to Chief Executive Officer | 12 May 2015 | 1,209,235 | \$0.3721 | 450 |
| Shares issued to settle deferred consideration owed on previous business acquisition | 6 July 2015 | 783,886 | \$0.3450 | 271 |
| Shares issued to settle deferred consideration owed on previous business acquisition | 1 October 2015 | 1,122,842 | \$0.3005 | 337 |
| Issue of placement shares | 5 November 2015 | 58,064,515 | \$0.3100 | 18,000 |
| Costs of issuing shares | | - | \$0.0000 | (1,006) |
| Balance | 31 December 2015 | <u>301,289,131</u> | | <u>56,992</u> |

Ordinary shares

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

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

Share buy-back

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

Capital risk management

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

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

Note 25. Equity - reserves

| | Consolidated | |
|------------------------------|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Foreign currency reserve | 2,281 | 141 |
| Share-based payments reserve | 64 | - |
| | <u>2,345</u> | <u>141</u> |

Note 25. Equity - reserves (continued)

Foreign currency reserve

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

Share-based payments reserve

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

Movements in reserves

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

| Consolidated | Share based payments reserve \$'000 | Foreign currency Translation reserve \$'000 | Total \$'000 |
|---|--|---|-----------------|
| Balance at 11 April 2014 | - | - | - |
| Foreign currency translation | - | 141 | 141 |
| Balance at 31 December 2014 | - | 141 | 141 |
| Foreign currency translation | - | 2,140 | 2,140 |
| Amortisation of share based employee incentives | 64 | - | 64 |
| Balance at 31 December 2015 | <u>64</u> | <u>2,281</u> | <u>2,345</u> |

Note 26. Equity - accumulated losses

| | Consolidated | |
|---|------------------------|-----------------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Accumulated losses at the beginning of the financial year | (1,841) | - |
| Loss after income tax (expense)/benefit for the year | <u>(14,448)</u> | <u>(1,841)</u> |
| Accumulated losses at the end of the financial year | <u><u>(16,289)</u></u> | <u><u>(1,841)</u></u> |

Note 27. Equity - dividends

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

Note 28. Financial instruments

Financial risk management objectives

The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity. The Consolidated Entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Consolidated Entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Consolidated Entity's operating units. Finance reports to the Board on a monthly basis.

Note 28. Financial instruments (continued)

Market risk

Foreign currency risk

Foreign exchange risk arises from commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Consolidated Entity derives approximately 100% of its revenue, incurs the majority of its costs, and has the majority of its assets and liabilities located in, or arising from activities carried out via subsidiary companies incorporated in countries outside of Australia, namely Argentina, Mexico, Ecuador, Peru and Panama. The activities of the subsidiary companies in these countries are denominated in their respective functional currencies as follows:

- Argentina - Argentine peso (ARS)
- Mexico - Mexican peso (MXN)
- Ecuador and Panama - US dollar (USD)
- Peru - Peruvian Nuevo Sol (PEN)

This exposure could have a material effect on the results of the Consolidated Entity, in particular the exchange differences arising from the translation of the Consolidated Entity's net investment in the respective subsidiary companies.

The Consolidated Entity also maintains a significant US dollar bank account containing funds available to support future investment requirements in the Latin American region.

The average exchange rates and reporting date exchange rates applied were as follows:

| | Average exchange rates | | Reporting date exchange rates | |
|---------------------------|------------------------|---------|-------------------------------|---------|
| | 2015 | 2014 | 2015 | 2014 |
| Australian dollars | | | | |
| Argentine peso (ARS) | 8.2346 | 7.3409 | 9.4573 | 7.0118 |
| Mexican peso (MXN) | 12.3552 | 11.8866 | 12.6338 | 12.0766 |
| Peruvian Nuevo Sol (PEN) | 2.4690 | 2.4755 | 2.4839 | 2.4541 |
| US dollar (USD) | 0.7728 | 0.8600 | 0.7284 | 0.8200 |

The carrying amount of the Consolidated Entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

| | Assets | | Liabilities | |
|---------------------|----------------|----------------|----------------|----------------|
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Consolidated | | | | |
| US dollar | 14,338 | 6,697 | - | - |

The Consolidated Entity had net financial assets denominated in foreign currencies of \$A14,338,000 (assets \$A14,338,000 less liabilities \$Nil) as at 31 December 2015 (31 December 2014 - net financial assets denominated in foreign currencies of \$A6,697,000).

The following table illustrates the sensitivity of profit and equity in regards to the Group's assets and liabilities in light of potential changes to the respective currencies applicable to those assets and liabilities. It assumes a +/- 7.5% change in all exchange rates for the year ended at 31 December 2015. This percentage has been determined based on the average market volatility in exchange rates in the previous three months across the relevant currencies. The sensitivity analysis is based on the Group's relevant foreign currency assets and liabilities held at reporting date.

Note 28. Financial instruments (continued)

| Consolidated - 2015 | % change | AUD strengthened | | % change | AUD weakened | |
|---------------------|----------|--|----------------------------|----------|--|----------------------------|
| | | Effect on profit before tax \$'000 | Effect on equity \$'000 | | Effect on profit before tax \$'000 | Effect on equity \$'000 |
| US dollar | 5% | <u>(683)</u> | <u>(683)</u> | 5% | <u>755</u> | <u>755</u> |
| Consolidated - 2014 | % change | AUD strengthened | | % change | AUD weakened | |
| | | Effect on profit before tax \$'000 | Effect on equity \$'000 | | Effect on profit before tax \$'000 | Effect on equity \$'000 |
| US dollar | 7.5% | <u>(467)</u> | <u>-</u> | 7.5% | <u>543</u> | <u>-</u> |

Price risk

The Consolidated Entity is not exposed to any significant price risk.

Interest rate risk

As at reporting date the Consolidated Entity has cash at bank of \$18,361,000 and no borrowings. Cash at bank is held in a number of bank accounts, operated by the Consolidated Entity's subsidiaries and its head office function, some of which are interest-bearing and some of which are not.

Accordingly, the Consolidated Entity's main interest rate risk arises from fluctuations in variable bank deposit rates and their impact on interest revenue. This risk is currently considered immaterial.

As at the reporting date, the Consolidated Entity had the following variable rate bank accounts:

| Consolidated | 2015 | | 2014 | |
|--|---|-------------------|---|-------------------|
| | Weighted average interest rate % | Balance \$'000 | Weighted average interest rate % | Balance \$'000 |
| Bank accounts - interest-bearing | 0.45% | <u>17,562</u> | 0.25% | <u>6,721</u> |
| Net exposure to cash flow interest rate risk | | <u>17,562</u> | | <u>6,721</u> |

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity.

The Group is exposed to this risk for various financial instruments, for example by generating trade receivables from sales, depositing cash in bank accounts, generating sales tax receivables from various taxing authorities etc. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

Note 28. Financial instruments (continued)

| | Consolidated | |
|---|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Classes of financial assets | | |
| Cash at bank | 18,361 | 12,760 |
| Trade accounts receivable | 1,245 | 634 |
| Other accounts receivable - current | 75 | 193 |
| Other accounts receivable - non-current | - | 54 |
| | <hr/> | <hr/> |
| Total financial assets | <u>19,681</u> | <u>13,641</u> |

The Consolidated Entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Consolidated Entity does not hold any collateral.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

Other than trade receivables, the Consolidated Entity's main counterparties are major, reputable banks and government sales tax authorities. The Consolidated Entity is satisfied that the risk of default on the part of these counterparties is low.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

Details, as at reporting date, of trade receivables past due and trade receivables assessed as impaired are set out in Note 10.

The Group's management considers that all of the above financial assets that are not impaired or past due at the reporting date are of good credit quality.

Liquidity risk

Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Consolidated Entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 28. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

| Consolidated - 2015 | Weighted average interest rate % | 1 year or less \$'000 | Between 1 and 2 years \$'000 | Between 2 and 5 years \$'000 | Over 5 years \$'000 | Remaining contractual maturities \$'000 |
|-----------------------------|---|--------------------------|------------------------------------|------------------------------------|------------------------|--|
| Non-derivatives | | | | | | |
| <i>Non-interest bearing</i> | | | | | | |
| Trade payables | - | 1,989 | - | - | - | 1,989 |
| Deferred income | - | 372 | - | - | - | 372 |
| Accrued expenses | - | - | - | - | - | - |
| Other payables | - | 50 | - | - | - | 50 |
| Total non-derivatives | | 2,401 | - | - | - | 2,401 |

| Consolidated - 2014 | Weighted average interest rate % | 1 year or less \$'000 | Between 1 and 2 years \$'000 | Between 2 and 5 years \$'000 | Over 5 years \$'000 | Remaining contractual maturities \$'000 |
|--|---|--------------------------|------------------------------------|------------------------------------|------------------------|--|
| Non-derivatives | | | | | | |
| <i>Non-interest bearing</i> | | | | | | |
| Trade payables | - | 1,040 | - | - | - | 1,040 |
| Deferred consideration payable on business acquisitions | - | 814 | - | - | - | 814 |
| Deferred income | - | 280 | - | - | - | 280 |
| Accrued expenses | - | 546 | - | - | - | 546 |
| Other payables | - | 83 | - | - | - | 83 |
| Total non-derivatives | | 2,763 | - | - | - | 2,763 |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 29. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Consolidated Entity is set out below:

| | Consolidated | |
|------------------------------|---------------------|----------------|
| | 2015 | 2014 |
| | \$ | \$ |
| Short-term employee benefits | 1,296,817 | 231,753 |
| Post-employment benefits | 9,544 | 1,325 |
| Share-based payments | 484,647 | - |
| | <u>1,791,008</u> | <u>233,078</u> |

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Notes to the financial statements
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Note 30. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Company, and its network firms:

| | Consolidated | |
|---|---------------------|----------------|
| | 2015 | 2014 |
| | \$ | \$ |
| <i>Audit services - Grant Thornton</i> | | |
| Audit or review of the financial statements | 98,000 | 69,000 |
| <i>Other services - Grant Thornton</i> | | |
| Investigating Accountant's Report and due diligence | - | 333,578 |
| Tax consulting | 41,927 | 168,258 |
| | 41,927 | 501,836 |
| | <u>139,927</u> | <u>570,836</u> |
| <i>Audit services - network firms</i> | | |
| Audit or review of the financial statements | 32,804 | 25,000 |

Note 31. Contingent liabilities

There are no known material contingent liabilities in relation to the Consolidated Entity at the end of the reporting period.

Note 32. Commitments

| | Consolidated | |
|---|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| <i>Lease commitments - operating</i> | | |
| Committed at the reporting date but not recognised as liabilities, payable: | | |
| Within one year | 422 | 299 |
| One to five years | 312 | 293 |
| | <u>734</u> | <u>592</u> |

Operating lease commitments relate to leases of various premises used by the Consolidated Entity as business offices in Ecuador, Mexico, Argentina, Peru and Panama. The leases are non-cancellable and have terms ranging from 9 months to 3 years and 9 months.

Note 33. Related party transactions

Parent entity

LatAm Autos Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 36.

Associates

Interests in associates are set out in note 37.

Key management personnel

Disclosures relating to key management personnel are set out in note 29 and the remuneration report in the directors' report.

Note 33. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

| | Consolidated | |
|----------------------------------|---------------------|-------------|
| | 2015 | 2014 |
| | \$ | \$ |
| Payment for goods and services: | | |
| Purchase of goods from associate | - | 16 |

The related party transaction was the purchase of goods by the Consolidated Entity from Avisoriaweb S.A. while it was still an associate of the Consolidated Entity.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 34. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

| | Parent | |
|----------------------------|---------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Loss after income tax | (1,187) | (2,083) |
| Total comprehensive income | (1,187) | (2,083) |

Statement of financial position

| | Parent | |
|------------------------------|---------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Total current assets | 17,792 | 12,664 |
| Total assets | 54,596 | 37,903 |
| Total current liabilities | 817 | 1,152 |
| Total liabilities | 817 | 1,152 |
| Equity | | |
| Issued capital | 56,992 | 38,834 |
| Share-based payments reserve | 64 | - |
| Accumulated losses | (3,278) | (2,083) |
| Total equity | 53,778 | 36,751 |

Note 34. Parent entity information (continued)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2015 nor at 31 December 2014.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2015 (31 December 2014 - Nil).

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2015 (31 December 2014 - Nil).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 35. Business combinations

During the period ended 31 December 2014, the Consolidated Entity undertook a number of separate acquisitions of the following businesses as part of its business strategy:

1. Anuntis Segundamano Argentina S.A. and Anuntis Segundamano Argentina Holdings S.A. on 15 September 2014 – these companies own all business assets for the Autofoco.com website (Argentina);
2. All business assets for the Demotores.com.mx website (Mexico) on 24 December 2014;
3. All business assets for the Semineuvos.com and cars.mx websites (Mexico) on 22 October 2014;
4. Avisoriaweb S.A. on 17 December 2014 – this company owns all business assets for the PatioTuerca.com website (Ecuador, Panama, Bolivia); and
5. All business assets for the Todoautos.pe website (Peru) on 31 October 2014.

Full details of these acquisitions were disclosed in the Consolidated Entity's Annual Report for the period ended 31 December 2014.

In relation to some of the business acquisitions, the Consolidated Entity initially performed a provisional assessment of the fair value of the assets and liabilities as at the date of the acquisition. For the purposes of the balance sheet, the assets and liabilities were recorded at their provisional fair values. Under Australian Accounting Standards, the Consolidated Entity had up to 12 months from the date of acquisition to complete its initial acquisition accounting.

The Consolidated Entity has carried out this exercise to consider the fair value of intangible assets acquired in the acquisitions. This has resulted in Purchase Price Adjustments (PPAs) to the carrying values of certain intangible assets, and a restatement of the amortisation of those assets as from the respective dates of acquisition, as set out below. In all cases, the amounts of the adjusted values have been reallocated from the valued assets to the Goodwill asset of the relevant business. Accordingly, the adjustments have no impact on the aggregate of the net assets or the Consolidated Entity's net profit after tax with the exception of any amortisation charges.

Note 35. Business combinations (continued)

Autofoco.com - Argentina

Founded in 1999, AutoFoco.com is one of the top 3 dedicated auto classifieds websites operating in Argentina and publishes an automotive classifieds magazine distributed in Argentina. AutoFoco.com also offers automotive-interest content and information in order to draw users to its website and maximise time spent on the website, thereby increasing viewership of its listings.

On 15 September 2014 LatAm Autos and LatAm Autos Holdings together acquired 100% of the shares in AutoFoco.com's corporate parents, Anuntis Segundamano Argentina S.A. (ASA) and Anuntis Segundamano Argentina Holdings S.A. (ASAH). The total consideration paid for 100% of the shares in ASA and ASAH was US\$200,000 (A\$222,000).

PPA: Following completion of acquisition accounting no adjustment was required to the acquisition value of Domain names and trademarks.

Amortisation expense was not required to be amended.

Details of the acquisition were as follows:

| | Fair value \$'000 |
|---|------------------------------|
| Cash and cash equivalents | 63 |
| Trade and other receivables | 446 |
| Plant and equipment | 15 |
| Other assets | 260 |
| Domain names and trademarks | 70 |
| Deferred tax liability | (25) |
| Creditors and provisions | (632) |
| Net assets acquired | 197 |
| Goodwill | 25 |
| Acquisition-date fair value of the total consideration transferred | <u>222</u> |
| Representing: | |
| Cash paid or payable to vendor | <u>222</u> |
| Acquisition costs expensed to profit or loss (Professional and Consulting fees) | <u>124</u> |

Note 35. Business combinations (continued)

Demotores.com.mx - Mexico

Founded in 2010, Demotores.com.mx is an auto classifieds website in Mexico.

On 13 October 2014, LatAm Autos entered into an agreement by which its wholly-owned subsidiaries Latamautos Mexico S. de R.L. de C.V. and LatAm Autos Limited were granted an option to acquire the business and assets of demotores.com.mx for US\$900,000 (A\$1,000,000). Consideration of US\$4,900,000 (A\$6,100,000) was paid in cash by LatAm Autos to exercise the option upon completion of the acquisition on 24 December 2014.

PPA: Following completion of acquisition accounting an amount of \$5,228,000 was reallocated from the acquisition value of Domain names and trademarks to Goodwill.

Amortisation expense was amended as follows: decrease of \$26,000 of amortisation of Domain names and trademarks.

Details of the acquisition were as follows:

| | Fair value \$'000 |
|--|------------------------------|
| Domain names and trademarks | 772 |
| Recoverable sales tax paid on acquisition | 866 |
| Deferred tax liability | <u>(232)</u> |
| Net assets acquired | 1,406 |
| Goodwill | <u>6,608</u> |
| Acquisition-date fair value of the total consideration transferred | <u><u>8,014</u></u> |
| Representing: | |
| Cash paid or payable to vendor | <u><u>8,014</u></u> |
| Acquisition costs expensed to profit or loss (Administration expenses) | <u><u>121</u></u> |

Note 35. Business combinations (continued)

Seminuevos.com - Mexico

Founded in 2000, Seminuevos.com (including Seminuevos.com and Cars.mx) is an auto classifieds website in Mexico. In addition to listing revenue, Seminuevos.com and Cars.mx also sell display advertising on their websites.

On 22 October 2014, Latamautos Mexico S. de R.L. de C.V., a wholly-owned subsidiary of LatAm Autos, acquired the business and assets of Seminuevos.com for consideration of US\$1,900,000 (A\$2,160,000) in cash (excluding VAT tax payable of 16%), which is payable in 2 tranches. The first tranche of US\$1,700,000 (A\$1,930,000) was paid on 22 October 2014. The remaining US\$200,000 (A\$227,000) was originally to be paid in cash, however this liability was settled in full by the issue of fully paid ordinary shares in the Company to the vendors in July 2015.

PPA: Following completion of acquisition accounting an amount of \$782,000 was reallocated from the acquisition value of Domain names and trademarks to Goodwill.

Amortisation expense was amended as follows: decrease of \$4,000 of amortisation of Domain names and trademarks.

Details of the acquisition were as follows:

| | Fair value \$'000 |
|--|------------------------------|
| Domain names and trademarks | 268 |
| Recoverable sales tax paid on acquisition | 245 |
| Deferred tax liability | (80) |
| | <hr/> |
| Net assets acquired | 433 |
| Goodwill | 2,001 |
| | <hr/> |
| Acquisition-date fair value of the total consideration transferred | <u><u>2,434</u></u> |
| Representing: | |
| Cash paid or payable to vendor | 2,207 |
| Deferred payment | 227 |
| | <hr/> |
| | <u><u>2,434</u></u> |
| Acquisition costs expensed to profit or loss (Administration expenses) | <u><u>62</u></u> |

Note 35. Business combinations (continued)

PatioTuerca.com - Ecuador, Panama, Bolivia

Founded in 2004, PatioTuerca.com is an auto classifieds website operating in Ecuador, Panama, and Bolivia. PatioTuerca.com also offers automotive-interest content and information in order to draw users to its website and maximise time spent on the website, thereby increasing viewership of its listings. In addition to listing revenue from dealerships and individuals, PatioTuerca.com also sells display advertising on its websites.

LatAm Autos acquired 49.9% of the shares in PatioTuerca.com's corporate parent, Avisoriaweb S.A., on 13 October 2014. The consideration paid for 49.9% of the shares in Avisoriaweb S.A. was \$4,738,800 in cash. LatAm Autos acquired the remaining 50.1% of the shares on 17 December 2014 for consideration of \$7,108,200 in the form of 23,694,000 LatAm Autos shares, which were valued at the IPO issue price of \$0.30.

PPA: Following completion of acquisition accounting:

- an amount of \$2,558,000 was reallocated from the acquisition value of Domain names and trademarks to Goodwill; and
- an amount of \$538,000 was reallocated from the acquisition value of Domain names and trademarks to Software.

Amortisation expense was amended as follows:

- decrease of \$11,000 of amortisation of Domain names and trademarks; and
- increase of \$6,000 of amortisation of Software.

Details of the acquisition were as follows:

| | Fair value \$'000 |
|--|------------------------------|
| Cash and cash equivalents | 53 |
| Trade receivables | 508 |
| Plant and equipment | 43 |
| Domain names and trademarks | 1,404 |
| Software | 2,538 |
| Other assets | 5 |
| Deferred tax liability | (867) |
| Creditors and provisions | (491) |
| Other liabilities | (14) |
| Net assets acquired | 3,179 |
| Goodwill | 8,668 |
| Acquisition-date fair value of the total consideration transferred | <u>11,847</u> |
| Representing: | |
| Cash paid or payable to vendor | 4,739 |
| LatAm Autos Limited shares issued to vendor | 7,108 |
| | <u>11,847</u> |
| Acquisition costs expensed to profit or loss (Administration expenses) | <u>134</u> |

Note 35. Business combinations (continued)

Todoautos.com.pe - Peru

Founded in 2005, Todoautos.com.pe (including Todoautos.com.pe, TodoMotos.com.pe, and BusesYCamiones.pe) was created to focus on automotive news and content, including test drives, enthusiast information, and automotive industry content. These websites also provide auto classifieds listing platforms to facilitate the buying and selling of motor vehicles by individuals and auto dealers. Todoautos.com.pe offers a free platform to advertise automotive listings to customers in Peru, generating revenue via advertising content on the sites.

On 31 October 2014, LatAm Autos Peru S.A.C., a wholly-owned subsidiary of LatAm Autos, acquired 100% of the assets of Todoautos.com.pe for consideration of PEN\$4,480,000 (A\$1,700,000) in cash (excluding VAT taxes payable of 18%), with PEN\$3,080,000 (A\$1,200,000) paid at completion and the balance of PEN\$1,400,000 (A\$544,000) being payable in 2 tranches over a 12-month period from completion of the acquisition. The first tranche of the the deferred consideration paid in cash during the financial period. The remaining liability was settled in full by the issue of fully paid ordinary shares in the Company to the vendor in October 2015.

PPA: Following completion of acquisition accounting:

- an amount of \$1,294,000 was reallocated from the acquisition value of Domain names and trademarks to Goodwill; and
- an amount of \$131,000 was reallocated from the acquisition value of Domain names and trademarks to Content.

Amortisation expense was amended as follows:

- decrease of \$19,000 of amortisation of Domain names and trademarks; and
- increase of \$6,000 of amortisation of Software.

Details of the acquisition were as follows:

| | Fair value \$'000 |
|--|------------------------------|
| Domain names and trademarks | 175 |
| Content | 131 |
| Recoverable sales tax paid on acquisition | 288 |
| Deferred tax liability | (86) |
| | <hr/> |
| Net assets acquired | 508 |
| Goodwill | 1,569 |
| | <hr/> |
| Acquisition-date fair value of the total consideration transferred | <u>2,077</u> |
| Representing: | |
| Cash paid or payable to vendor | 1,533 |
| Deferred payment | 544 |
| | <hr/> |
| | <u>2,077</u> |
| | <hr/> |
| Acquisition costs expensed to profit or loss (Administration expenses) | <u>107</u> |

Note 36. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

| Name | Principal place of business / Country of incorporation | Ownership interest | |
|--|---|--------------------|-----------|
| | | 2015 % | 2014 % |
| LatAm Autos Holdings Pty Ltd (incorporated 21 August 2014) | Australia | 100.00% | 100.00% |
| Anuntis Segundamano Argentina S.A. (acquired 15 September 2014) | Argentina | 100.00% | 100.00% |
| Anuntis Segundamano Argentina Holdings S.A. (acquired 15 September 2014) | Argentina | 100.00% | 100.00% |
| Latamautos Mexico S. de R.L. de C.V. (incorporated 30 September 2014) | Mexico | 100.00% | 100.00% |
| Avisoriaweb S.A. (acquired 17 December 2014) | Ecuador | 100.00% | 100.00% |
| LatAm Autos Peru S.A. (incorporated 26 August 2014) | Peru | 100.00% | 100.00% |
| LatAm Autos Panama S.A. (incorporated 24 November 2014) | Panama | 100.00% | 100.00% |
| Latamautos Corporacion S.A. (incorporated 25 September 2014) | Ecuador | 100.00% | 100.00% |

Note 37. Interests in associates

The Consolidated Entity did not have any interests in associates during the current reporting period but had an interest in an associate in the previous reporting period.

Interests in associates were accounted for using the equity method of accounting. Information relating to associates that are material to the Consolidated Entity are set out below.

During the previous reporting period the Consolidated Entity acquired Avisoriaweb S.A. (Avisoriaweb) in stages. On 13 October 2014, the Consolidated Entity acquired 49.9% of the issued shares of Avisoriaweb and determined that it had significant influence over Avisoriaweb as from that date. On 17 December 2014, the Consolidated Entity acquired the remaining 50.1% of the issued shares of Avisoriaweb and determined that it controlled Avisoriaweb as from that date.

Accordingly, the Consolidated Entity accounted for its investment in the Consolidated Entity as an associate for the period 13 October 2014 to 17 December 2014 and as a controlled entity thereafter. Details of Avisoriaweb's contribution to the Consolidated Entity's profit while it was accounted for as an associate are set out below.

| | Consolidated | |
|---|----------------|----------------|
| | 2015 \$'000 | 2014 \$'000 |
| Associate's contribution to Consolidated Entity operating loss | | |
| Share of associate profit recognised | - | 8 |

Note 38. Events after the reporting period

On 20 January 2016 the Company issued 6,935,485 fully paid ordinary shares to directors of the Company, following approval by the shareholders. This share issue, which completed the share placement process commenced prior to 31 December 2015, raised proceeds of \$2,150,000.

No other matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 39. Reconciliation of loss after income tax to net cash used in operating activities

| | Consolidated | |
|---|---------------------|----------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Loss after income tax (expense)/benefit for the year | (14,448) | (1,840) |
| Adjustments for: | | |
| Depreciation and amortisation | 1,138 | 51 |
| Net loss on disposal of property, plant and equipment | 36 | - |
| Share-based payments | 1,324 | 100 |
| Foreign exchange differences | 551 | (159) |
| Recognition of deferred tax liability through business combinations | - | (1,289) |
| Change in operating assets and liabilities | | |
| Decrease/(increase) in trade and other receivables | (493) | 94 |
| Decrease/(increase) in prepayments | 109 | (225) |
| Net movement in sales tax payable/receivable | (402) | 2 |
| Decrease/(increase) in inventories | 8 | (16) |
| Net movement in deferred tax assets/liabilities | 1,219 | (203) |
| Increase/(decrease) in deferred revenue | 92 | (150) |
| Increase/(decrease) in trade and other payables | 370 | 948 |
| Increase/(decrease) in employee benefits | 757 | 82 |
| Increase/(decrease) in other provisions | (80) | 71 |
| Net cash used in operating activities | <u>(9,819)</u> | <u>(2,534)</u> |

Note 40. Non-cash investing and financing activities

| | Consolidated | |
|--|---------------------|---------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Shares issued in relation to business combinations | - | 7,108 |
| Shares issued in lieu of payment for services | - | 124 |
| Deferred consideration payable for business combinations | - | 770 |
| Shares issued as settlement for deferred consideration payable for business combinations | 548 | - |
| | <u>548</u> | <u>8,002</u> |

Note 41. Earnings per share

| | Consolidated | |
|---|---------------------|--------------------|
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Loss after income tax attributable to the owners of LatAm Autos Limited | <u>(14,448)</u> | <u>(1,840)</u> |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic earnings per share | <u>250,347,718</u> | <u>117,362,380</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>250,347,718</u> | <u>117,362,380</u> |
| | Cents | Cents |
| Basic earnings per share | (5.8) | (1.6) |
| Diluted earnings per share | (5.8) | (1.6) |

Note 42. Share-based payments

(a) Performance Rights

A Long Term Incentive Plan has been established by the Consolidated Entity and approved by shareholders at a general meeting, whereby the Consolidated Entity may, at the discretion of the Board, grant performance rights over ordinary shares in the Company ("Rights") to certain employees of the Consolidated Entity.

The grant of Rights is a long term incentive intended to align the interests of employees with other owners of the Company.

Upon vesting, each Right entitles the holder to receive one ordinary share in the Company at no cost to the employee.

The number of Rights that will vest is contingent on the Company's total shareholder return (TSR) relative to comparable companies ("Peer Group") over a designated period, which is currently the period from the Company's ASX Listing date of 17 December 2014 to 31 December 2018. Vesting is also subject to the continued employment of the employee. The Rights expire on 30 January 2019, unless they lapse earlier.

Set out below are summaries of Rights granted under the plan:

2015

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|------------|-------------|----------------|----------------------------------|-----------|-----------|---------------------------|--------------------------------|
| 13/07/2015 | 28/02/2016 | \$0.0000 | - | 150,000 | - | - | 150,000 |
| 27/07/2015 | 30/01/2019 | \$0.0000 | - | 3,700,004 | - | - | 3,700,004 |
| | | | - | 3,850,004 | - | - | 3,850,004 |

* An amount of \$64,076 was recognised as an expense for the Rights during the current financial year (2014: Nil).

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 3 years (2014: N/A).

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are set out below.

The pricing model used to value the performance rights granted during the current financial year was the Geometric Brownian Motion model and Monte Carlo simulation.

The volatility used in the valuation model was based upon the volatility of the Company's share price from the date of its listing on the ASX (17 December 2014) to the valuation date (27 July 2015).

Market factors were factored into the pricing model by adjusting the fair value of the performance rights through the application of a Geometric Brownian Motion model and Monte Carlo simulation to determine the theoretical Total Shareholder Returns of the respective Peer Group companies, against which the Company's performance will be compared during the vesting period, and the Company. "Total Shareholder Return" is defined as the total return of a share to an investor (capital gain plus dividends reinvested as at the ex-dividend date).

| Grant date | Expiry date | Share price at grant date | Exercise price | Expected volatility | Dividend yield | Risk-free interest rate | Fair value at grant date |
|------------|-------------|---------------------------|----------------|---------------------|----------------|-------------------------|--------------------------|
| 27/07/2015 | 30/01/2019 | \$0.2900 | \$0.0000 | 64.75% | - | 2.03% | \$0.159 |
| 27/07/2015 | 30/01/2019 | \$0.2900 | \$0.0000 | 64.75% | - | 2.03% | \$0.168 |

(b) Shares issued to employees

The Company may, from time to time, issue shares to employees of the Consolidated Entity.

Note 42. Share-based payments (continued)

During the period ended 31 December 2015 the Company issued the following shares to parties in connection with their employment by the Consolidated Entity. The shares vested immediately.

In addition to the above, the Consolidated Entity has established as Short Term Incentive plan (STIP) under which the Board may issue fully paid ordinary shares in the Company (Shares) on an annual basis to selected employees, conditional on their achieving certain performance targets during the financial year.

The Board agreed in February 2016 to issue Shares to employees in recognition of their performance during the year ended 31 December 2015, subject to acceptance by the respective employees. The value of these Shares of \$643,462 (2014: Nil) has been accrued as at year end and recorded as a share-based payment expense in the Statement of profit or loss and other comprehensive income of the Consolidated Entity for that financial period, although the Shares were not issued as at the end of the financial period.

| | Consolidated | |
|--|---------------------|-------------|
| | 2015 | 2014 |
| | \$ | \$ |
| 1,209,235 shares issued to Chief Executive Officer as performance bonus | 450,000 | - |
| 286,487 shares issued to former employee as termination entitlement | 106,000 | - |
| 2,144,873 shares to be issued to employees under STI Plan in 2016 (value recorded at year end) | 643,462 | - |
| | <u>1,199,462</u> | <u>-</u> |

(c) Shares issued to third parties in return for services

The Company may, from time to time, issue shares to third parties as consideration for goods and/or services provided to the Consolidated Entity by those parties. All such transactions are settled in equity and vest immediately, unless otherwise stated. Details of these issues made during the reporting period are as follows:

| | Consolidated | |
|--|---------------------|----------------|
| | 2015 | 2014 |
| | \$ | \$ |
| Shares issued for capital raising fees - 21 August 2014 - 480,000 shares; issue price \$0.05 (5 cents) per share | - | 24,000 |
| Shares issued for capital raising and other fees - 16 October 2014 - 370,371 shares; issue price \$0.27 (27 cents) per share | - | 100,000 |
| | <u>59,850</u> | <u>124,000</u> |

LatAm Autos Limited
Directors' declaration
31 December 2015

In the directors' opinion:

- the attached consolidated financial statements and notes comply, and the Remuneration report set out on pages 12 to 19 of the Directors' report, with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached consolidated financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached consolidated financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2015 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Tim Handley
Executive Chairman

29 February 2016

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report To the Members of LatAm Autos Limited

Report on the financial report

We have audited the accompanying financial report of LatAm Autos Limited (the "Company"), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- a the financial report of LatAm Autos Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 12 to 19 of the directors' report for the year ended 31 December 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of LatAm Autos Limited for the year ended 31 December 2015, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B.A. Mackenzie
Partner - Audit & Assurance

Melbourne, 29 February 2016

LatAm Autos Limited
Shareholder information
31 December 2015

The shareholder information set out below was applicable as at 19 February 2016.

Use of Cash

In accordance with ASX Listing Rule 4.10.10, the Consolidated Entity reports that, for the whole of the reporting period, it used the cash and assets readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

Corporate governance

Refer to the Company's Corporate Governance statement at: <http://www.latamautos.com/corporate-governance>.

There is no current on-market buy-back.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

| | Number of holders of ordinary shares | Number of holders of shares Voluntary Escrowed 6 months to 1 April 2016 | Number of holders of options ASX Escrowed 24 Months to 17 December 2016 |
|---------------------------------------|---|--|--|
| 1 to 1,000 | 19 | - | - |
| 1,001 to 5,000 | 502 | - | - |
| 5,001 to 10,000 | 337 | - | - |
| 10,001 to 100,000 | 656 | - | 2 |
| 100,001 and over | 189 | 2 | 12 |
| | 1,703 | 2 | 14 |
| Holding less than a marketable parcel | 122 | - | - |

LatAm Autos Limited
Shareholder information
31 December 2015

Equity security holders

Twenty largest shareholders

The names of the twenty largest shareholders are listed below:

| | Fully paid Issued shares Number held | Issued shares % of total shares issued |
|---|---|---|
| CHESTNUT PARTNERS LIMITED | 50,000,000 | 16.22 |
| LOG CREEK PTY LTD (THE LOG CREEK VINEYARD A/C) | 37,662,845 | 12.22 |
| STARTIVE VENTURES INC | 25,550,594 | 8.29 |
| CITICORP NOMINEES PTY LIMITED | 16,019,845 | 5.20 |
| JORGE MEJIA RIBADENEIRA | 10,212,955 | 3.31 |
| UBS NOMINEES PTY LTD | 8,045,653 | 2.61 |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 7,438,786 | 2.41 |
| ANDRES JACOBO MORENEO NOBOA | 6,219,675 | 2.02 |
| MERUMA PTY LTD (MERUMA INVESTMENTS A/C) | 5,295,926 | 1.72 |
| DIEGO FERNANDO CAMACHO PUENTE | 5,619,675 | 1.82 |
| MPC NOMINEES PTY LTD | 5,283,334 | 1.71 |
| BRISPOT NOMINEES PTY LTD (HOUSE HEAD NOMINEE NO 1 A/C) | 4,758,613 | 1.54 |
| FERN ESTATES PTY LTD | 2,843,333 | 0.92 |
| HK PRIVATE CLIENT INVESTMENTS P/L (HK PRIVATE CLIENT INV A/C) | 2,825,893 | 0.92 |
| SDS CAPITAL NO 2 PTY LTD (SDS CAPITAL NO 2 UNIT A/C) | 2,592,593 | 0.84 |
| EMH IV PTY LIMITED (EMH IV FAMILY A/C) | 2,592,593 | 0.84 |
| BOND STREET CUSTODIANS LIMITED (CPCPL - V73544 A/C) | 2,555,556 | 0.83 |
| MR NIGEL STRONG | 2,315,186 | 0.75 |
| TALL VENTURES PTY LTD (TALL VENTURES A/C) | 2,250,930 | 0.73 |
| S CHAMBERLAIN PTY LTD (S CHAMBERLAIN FAMILY A/C) | 2,185,186 | 0.71 |
| | <u>202,269,171</u> | <u>65.61</u> |

LatAm Autos Limited
Shareholder information
31 December 2015

20 largest quoted security holders

| | Fully paid ordinary shares Number held | Fully paid ordinary shares % of total shares issued |
|--|---|--|
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 29,943,083 | 16.22 |
| LOG CREEK PTY LTD (THE LOG CREEK VINEYARD A/C) | 26,551,733 | 12.22 |
| CITICORP NOMINEES PTY LIMITED | 16,019,845 | 8.29 |
| UBS NOMINEES PTY LTD | 8,045,653 | 5.20 |
| ANDRES JACOBO MORENEO NOBOA | 6,219,675 | 3.31 |
| MERUMA PTY LTD (MERUMA INVESTMENTS A/C) | 5,925,926 | 2.61 |
| DIEGO FERNANDO CAMACHO PUENTE | 5,619,675 | 2.41 |
| MPC NOMINEES PTY LTD | 5,283,334 | 2.02 |
| BRISPOT NOMINEES PTY LTD (HOUSE HEAD NOMINEE NO 1 A/C) | 4,758,613 | 1.92 |
| FERN ESTATES PTY LTD | 2,843,333 | 1.82 |
| HK PRIVATE CLIENT INVESTMENTS P/L (HK PRIVATE CLIENT INV A/C) | 2,825,893 | 1.71 |
| SDS CAPITAL NO 2 PTY LTD (SDS CAPITAL NO 2 UNIT A/C) | 2,592,593 | 1.54 |
| EMH IV PTY LIMITED (EMH IV FAMILY A/C) | 2,592,593 | 0.92 |
| BOND STREET CUSTODIANS LIMITED (CPCPL - V73544 A/C) | 2,555,556 | 0.92 |
| TALL VENTURES PTY LTD (TALL VENTURES A/C) | 2,315,186 | 0.84 |
| DANIEL PONCE MEJIA | 2,250,930 | 0.84 |
| S CHAMBERLAIN PTY LTD (S CHAMBERLAIN FAMILY A/C) | 2,185,186 | 0.83 |
| COMPERIO INVESTMENT MANAGEMENT LIMITED | 1,851,852 | 0.75 |
| HAYWARD SUPERANNUATION PTY LTD (HAYWARD S/F A/C) | 1,760,795 | 0.73 |
| GARY ZAMEL & ASSOCIATES PTY LTD (GARY ZAMEL & ASSOC SUPER A/C) | 1,622,873 | 0.71 |
| | 133,764,327 | 65.83 |
| | Shares voluntary escrowed 6 months to 1 April 2016 Number held | % of total shares issued |
| MR PERCY RICHARD LANDA | 280,710 | - |
| MR JOSE CALI PAREJA FIGUEROA | 280,710 | - |
| | 561,420 | - |

Unquoted equity securities

| | Number on issue | Number of holders |
|---|----------------------------|------------------------------|
| Shares - ASX Escrowed 24 Months to 17 December 2016 | 77,893,913 | 12 |
| Performance rights issued July 2015 | 3,700,004 | 22 |

The following person holds 20% or more of unquoted equity securities:

| Name | Class | Number held |
|---------------------------|---|--------------------|
| CHESTNUT PARTNERS LIMITED | Shares - ASX Escrowed 24 Months to 17 December 2016 | 50,000,000 |

LatAm Autos Limited
Shareholder information
31 December 2015

Substantial holders

Substantial holders in the Company are set out below:

| | Ordinary shares | |
|--|------------------------|---------------------------------|
| | Number held | % of total shares issued |
| Timothy Handley & Gareth Bannan | 50,000,000 | 16.22 |
| Log Creek Pty Ltd (ATF the Log Creek Vineyard Trust) | 37,662,845 | 12.22 |
| Simon Clausen | 25,550,594 | 8.29 |

The Company has also lodged a substantial holding notice for 79,408,698 of the Company's shares as, due to escrow arrangements over those shares, the Company has a "relevant interest" in its own shares as defined by the Corporations Act. However the Company has no right to acquire those shares or to control the voting rights attaching to those shares.

Voting rights

The voting rights attached to shares are set out below:

Ordinary shares

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

Shares subject to escrow (Restricted Securities)

Voting rights relating to shares subject to escrow are the same as for ordinary shares except that, during a breach of the ASX Listing Rules relating to Shares which are Restricted Securities, or a breach of a restriction agreement, the holder of the relevant Restricted Securities is not entitled to any voting rights in respect of those Restricted Securities.

Performance rights

Performance rights do not have voting rights attached.

There are no other classes of equity securities.

Restricted securities

| Class | Expiry date | Number of shares |
|---|--------------------|-------------------------|
| Shares - ASX Escrowed 24 Months to 17 December 2016 | 17 December 2016 | 77,893,913 |