



PROSPECTUS

LatAm Autos Limited

ACN 169 063 414

FOR THE FULLY UNDERWRITTEN INITIAL PUBLIC OFFERING OF 60,000,000 SHARES IN
LATAM AUTOS LIMITED AT AN OFFER PRICE OF \$0.30 PER SHARE TO RAISE \$18.0 MILLION

Underwriters and Joint Lead Managers

CANACCORD Genuity

MOELIS & COMPANY

IMPORTANT INFORMATION

This is an important document that you should read in full. If you do not understand it, please consult your professional advisers.

IMPORTANT NOTICES

This document (Prospectus) is issued by LatAm Autos Limited ACN 169 063 414 (LatAm Autos or Company) for the purpose of Chapter 6D of the Corporations Act 2001 (Cth) (Corporations Act). This Prospectus contains an invitation for you to apply for fully paid ordinary shares in LatAm Autos (Shares) that will be issued by LatAm Autos in its initial public offering (Offer). Refer to Section 5 of this Prospectus for further information.

At the Prospectus Date (defined below), LatAm Autos had 156,128,166 Shares on issue. Refer to Section 5.3 for further information.

Lodgement and Listing

This Prospectus is dated 10 December 2014 and was lodged with the Australian Securities and Investments Commission (ASIC) on that date (Prospectus Date). This is a replacement Prospectus which replaces the prospectus dated 26 November 2014 and lodged with ASIC on that date ("Original Prospectus").

The Company applied to ASX Limited ABN 98 008 624 691 (ASX) for admission to the official list of ASX (Official List) and quotation of its Shares on ASX (Listing) within seven days after the date of the Original Prospectus. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or for the merits of the investment to which this Prospectus relates.

Expiry Date

This Prospectus expires on 26 December 2015, the date which is 13 months after the Original Prospectus Date (Expiry Date), and no Shares will be issued on the basis of this Prospectus after the Expiry Date.

Note to Applicants

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation and particular needs (including financial and tax issues) of any prospective investor. Cooling-off rights do not apply to an investment in Shares under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in LatAm Autos. In particular, in considering the prospects of LatAm Autos, you should consider the risk factors that could affect LatAm Autos' business, financial condition and results of operations, respectively. You should carefully consider these risks in light of your investment objectives, financial situation and particular needs (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in the Shares. Some of the key risk factors that should be considered by prospective investors are set out in Section 6. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

No person named in this Prospectus, nor any other person, guarantees the performance of LatAm Autos, the repayment of capital or the payment of a return on the Shares.

Disclosing entity

Once admitted to the Official List, LatAm Autos will be a disclosing entity for the purpose of the Corporations Act and as such will be subject

to regular reporting and disclosure obligations under the Corporations Act and the official listing rules of ASX (ASX Listing Rules). Refer to Section 5.18.1 for further information.

No offering where offering would be illegal

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Prospectus availability

A hard copy of the Prospectus is available free of charge during the Offer Period to any person in Australia by calling the LatAm Autos Share Registry on 1300 737 760 (toll free within Australia) or +61 2 9290 9600 (if you are eligible to participate in the Offer and are calling from outside Australia) between 8.30am and 5.30pm (Sydney Time), Monday to Friday.

This Prospectus is also available in electronic form to Australian residents on LatAm Autos' website, www.latamautos.com. The Offer constituted by this Prospectus in electronic form is available only to Australian residents accessing the website within Australia. Hard copy and electronic versions of this Prospectus are generally not available to persons in other jurisdictions.

Applications

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is included in, or accompanied by, this Prospectus in its paper copy form or the complete and unaltered electronic version of this Prospectus. Refer to Section 5 for further information.

Exposure period

The Corporations Act prohibits LatAm Autos from processing applications for Shares under this Prospectus (Applications) in the seven day period after the date of the Original Prospectus and the extension of that period by ASIC for a further seven days (Exposure Period). The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with Section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

During the Exposure Period, this Prospectus will be made available to Australian residents, without the Application Forms, at LatAm Autos' website, www.latamautos.com.

Photographs and diagrams

Photographs and diagrams used in this Prospectus are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are or, on Completion of the Offer will be, owned by LatAm Autos. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the Prospectus Date.

Disclaimer and forward-looking statements

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the directors of LatAm Autos (Directors) or any other person in connection with the Offer. You should rely only on information contained in this Prospectus. Except as required by law, and only to the extent so required, neither LatAm Autos nor any other person warrants or guarantees the future performance of LatAm Autos, or any return on any investment made pursuant to this Prospectus.

This Prospectus contains forward-looking statements which are statements that may be identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. Certain statements, beliefs and opinions contained in this Prospectus, in particular those regarding the possible or assumed future financial or other performance of LatAm Autos, industry growth or other trend projections are or may be forward-looking statements.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of LatAm Autos, the Directors and LatAm Autos management. The forward-looking statements should therefore be read in conjunction with, and are qualified by reference to, Section 6 and other information in this Prospectus. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. LatAm Autos has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, other than to the extent required by law.

This Prospectus, including the Independent Market Report in Section 3, uses market data, industry forecasts and projections. Significant portions of this information have been obtained from market research prepared by third parties. Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors in Section 6.

As set out in Section 5, it is expected that the Shares will be quoted on ASX initially on a deferred settlement basis.

To the extent permitted by law, each of LatAm Autos, Boardroom Pty Limited ABN 14 003 209 836 (Share Registry) and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement, whether on the basis of a confirmation of allocation provided by any of them, by the Share Registry, by a Broker or otherwise.

Forecast financial information

Given the fact that the Company is in an early stage of development, there are significant uncertainties associated with forecasting the future revenues and expenses of LatAm Autos. On this basis the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in this Prospectus.

Statement of past performance

This Prospectus includes information regarding the past performance of each of the businesses which together all form LatAm Autos. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Financial information presentation

All references to FY12 and FY13 appearing in this Prospectus are to the financial years ended or ending (as relevant) on 31 December of the applicable year, unless otherwise indicated. All references to 1H FY14 appearing in this Prospectus are to the six month periods ended or ending (as relevant) on 30 June within the applicable financial year, unless otherwise indicated (e.g. 1H FY14 relates to the six month period to 30 June 2014).

All financial amounts contained in this Prospectus are expressed in Australian currency unless otherwise stated. Any discrepancies between totals and sums and components in tables, figures and diagrams contained in this Prospectus are due to rounding.

Section 7 sets out in detail the Financial Information referred to in this Prospectus. The basis of preparation of the Financial Information is set out in Sections 7.2 and 7.6.

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles of Australian Accounting Standards.

The Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in Section 6.

Unless otherwise stated or implied, all pro forma data in this Prospectus gives effect to the pro forma adjustments referred to in Sections 7.3 and 7.4.

Readers should be aware that certain financial data included in this Prospectus is 'non-IFRS financial information' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC. LatAm Autos believes this non-IFRS financial information provides useful information to users in measuring the financial performance and condition of LatAm Autos. The non-IFRS financial information does not have standardised meanings prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial information determined in accordance with Australian Accounting Standards. Readers are cautioned, therefore, not to place undue reliance on any non-IFRS financial information or ratio included in this Prospectus.

Glossary

Defined terms and abbreviations used in this Prospectus, unless specified otherwise, have the meaning given in the Glossary in Section 10. Unless otherwise stated or implied, references to times in this Prospectus are to Sydney Time. Unless otherwise stated or implied, references to dates or years are calendar year references.

Privacy

By completing an Application Form, you are providing personal information to LatAm Autos through the Share Registry, which is contracted by LatAm Autos to manage Applications. LatAm Autos, and the Share Registry on its behalf, may collect, hold and use that personal information to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, LatAm Autos and the Share Registry may not be able to process or accept your Application.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold) to be included in the Share register. In accordance with the requirements of the Corporations Act, information on the Share register will be accessible by members of the public. The information must continue to be included in the Share register if you cease to be a Shareholder. LatAm Autos and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act 1988 (Cth):

- the Share Registry for ongoing administration of the Share register;
- the Joint Lead Managers in order to assess your Application;
- printers and other companies for the purpose of preparation and distribution of documents and for handling mail;
- market research companies for the purpose of analysing the Shareholder base; and
- legal and accounting firms, auditors, management consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

LatAm Autos' agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. You may request access to your personal information held by or on behalf of LatAm Autos.

You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information or obtain further information about LatAm Autos' privacy practices by contacting the Share Registry as follows:

Telephone:

1300 737 760 (toll free within Australia)
+61 2 9290 9600 (outside Australia)

Address:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Australia

LatAm Autos aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, contact LatAm Autos or the Share Registry if any of the details you have provided change.

Investigating Accountant's Report on the Financial Information and financial services guide.

The provider of the Investigating Accountant's Report on the Financial Information has provided Australian Retail Investors with a financial services guide in relation to its independent review under the Corporations Act. The Investigating Accountant's Report and accompanying financial services guide are provided in Section 8.

Offer website

Any references to documents included on LatAm Autos' website, www.latamautos.com are provided for convenience only, and none of the documents or other information on LatAm Autos' website, or any other website referred to in the sources contained in this Prospectus, is incorporated in this Prospectus by reference.

Questions

If you have any questions about how to apply for Shares, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser. Instructions on how to apply for Shares are set out in Sections 1 and 5 of this Prospectus and on the back of each Application Form. Alternatively, please contact LatAm Autos' Share Registry on 1300 737 760 (toll free within Australia) or +61 2 9290 9600 (outside Australia) between 8.30am and 5.30pm Sydney Time, Monday to Friday (Business Days only).

This Prospectus is important and should be read in its entirety.

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KEY OFFER INFORMATION

KEY DATES

Original Prospectus lodgement date	26 November 2014
Broker Firm Offer opens	11 December 2014
Broker Firm Offer closes and Applications due	12 December 2014
Settlement Date	16 December 2014
Issue of Shares, Completion of the Offer and completion of Avisoriaweb Share Purchase Agreement	17 December 2014
Expected commencement of trading on ASX on a deferred settlement basis	17 December 2014
Expected despatch of holding statements and any refund payments required	18 December 2014
Expected commencement of trading on ASX on a normal settlement basis	24 December 2014

This timetable is indicative only and Applicants are encouraged to submit their Applications as early as possible after the Offer opens. Unless otherwise indicated, all times in this Prospectus refer to the time in Sydney, Australia. LatAm Autos, in consultation with the Joint Lead Managers, has the right to close the Offer early or extend the Closing Date, to accept late Applications (either generally or in particular cases), to cancel or withdraw the Offer before Settlement or vary all or any other date or time without prior notice. If the Offer is cancelled or withdrawn before the issue of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. No cooling-off rights apply to the Offer. The admission of the Company to the Official List and the commencement of quotation of the Shares are subject to confirmation from ASX.

KEY OFFER STATISTICS

Offer Price	\$0.30 per Share
Total number of Shares available under the Offer	60,000,000
Total cash proceeds from the Offer	\$18.0m
Total number of Shares on issue on Completion of the Offer ¹	239,822,166
Indicative market capitalisation at the Offer Price ²	\$71.9m
Pro forma net cash at Completion of the Offer ³	\$13.8m

Notes

1. Includes the Shares to be issued on completion of the Avisoriaweb Share Purchase Agreement.
2. Based on the Offer Price and the total number of Shares on issue on Completion of the Offer and includes the Shares to be issued on completion of the Avisoriaweb Share Purchase Agreement.
3. Assumes exercise of, and completion of the acquisition under, the Demotores Agreement.

CHAIRMAN'S LETTER



Dear Investor

On behalf of the Board of Directors, I am pleased to invite you to become a Shareholder in LatAm Autos Limited.

LatAm Autos is a leading dedicated online auto classifieds and content platform with operations in 6 countries across Latin America¹ that encompasses a total population of 222 million. Our businesses are positioned as early movers in the Latin American online auto classifieds industry. Combined with increasing car ownership levels in the region, LatAm Autos is positioned to capitalise on the shift of auto classifieds advertising from traditional print media sources to online channels.

At the Completion of the Offer, our businesses will include:

- **Autofoco.com**, a leading automotive classifieds company in Argentina;
- **Seminuevos.com** and **demotores.com.mx**², which together are the most visited, dedicated auto classifieds websites in Mexico;
- **Patiotuerca.com**³, which includes the most visited auto classifieds websites in Ecuador, Panama and Bolivia; and
- **Todoautos.com.pe**, the most visited automotive content website in Peru.

Our business model is regionally oriented but tailored to each market, and is designed to achieve traffic and listing number growth required to build a dominant, profitable and sustainable platform for the long term. As we streamline and integrate our portfolio businesses following the Offer, we have plans to generate organisational, marketing and back-end technology synergies through centralised management across the group.

The LatAm Markets in which we operate have attractive growth characteristics, including⁴:

- A combined population of 222 million (2013);
- Historical average GDP per capita growth of 6.0% per annum since 2000, and forecast average GDP per capita growth of 4.0% per annum to 2019;
- Total new and used of passenger cars growing at a 7.5% compound annual growth rate since 2000;
- Aggregate sales of new passenger cars three times greater than Australia (since 2005).

Within the Board and executive management team there is over 40 years' combined experience establishing, operating, growing and monetising online classifieds and media businesses in various markets around the world, including Latin America.

I invite you to read this Prospectus carefully and in its entirety before making your investment decision. LatAm Autos has a limited trading history and is subject to significant risks that I ask you to consider. These include a reduction in the performance of the online classified market in Latin America, a decline in automotive advertising conditions and/or internet penetration, failure to complete currently planned or future acquisitions, as well as competition, foreign currency risk, and the challenges of managing rapid growth and integration of newly acquired businesses. Further information about the key risks of investing in LatAm Autos is contained in Sections 1.2 and 6.

The Offer under this Prospectus is expected to raise \$18.0 million through the issue of 60.0 million shares at the Offer Price of \$0.30 per Share. We intend to use these funds to accelerate growth of the LatAm Autos business through funding marketing and operational based initiatives, as well as acquisition and integration initiatives.

This is an exciting time for LatAm Autos. We are targeting markets with attractive growth profiles and have the right suite of businesses and a dedicated management team to become the dominant regional platform in online auto classifieds in Latin America. On behalf of the Board, I invite you to become a Shareholder of LatAm Autos as we continue on this journey.

Yours faithfully,

Timothy Handley
CHAIRMAN

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1. Based on total monthly visits (as described on similarweb.com) measured over the 6 month period up to 30 September 2014 for LatAm Autos' websites and comparing to other dedicated online auto classifieds competitors using similarweb.com. LatAm Autos believes this is the best available data, but it has not been independently verified.
 2. The Company has an option to acquire the business and assets of the auto classifieds website Demotores.com in Mexico and Peru. The Company intends to exercise the option upon Completion of the Offer and expects to complete the acquisition as soon as practicable thereafter.
 3. As at the date of this Prospectus, the Company owns 49.9% of Avisoriaweb S.A.. Completion of the Avisoriaweb Share Purchase Agreement and acquisition of the remaining 50.1% will occur contemporaneously with Completion of the Offer.
 4. Source: Frost & Sullivan, Independent Market Report. See Section 3.



1.

INVESTMENT OVERVIEW

1. INVESTMENT OVERVIEW

1.1 The Business

Topic	Summary	For more information
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What is LatAm Autos?

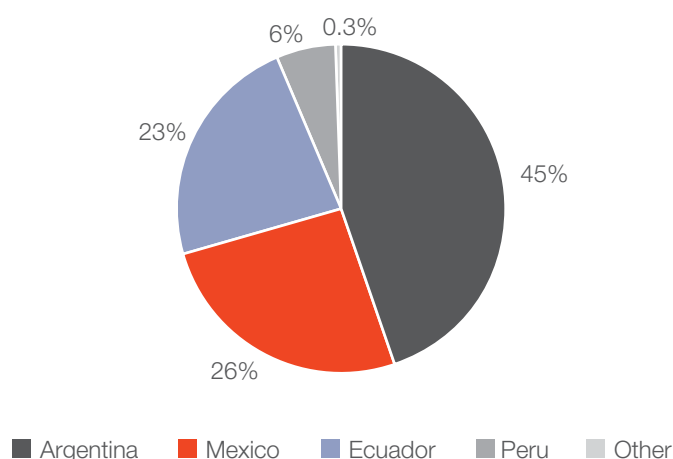
LatAm Autos is a dedicated online auto classifieds business with operations in Argentina, Mexico, Ecuador, Peru, Panama and Bolivia.

Upon completion of the Offer and the Demotores Agreement, LatAm Autos will own the following leading Latin American online auto classifieds businesses:

Website	Country	Status	Expected Completion
Autofoco.com	Argentina	100% owned	Complete
Seminuevos.com	Mexico	100% owned	Complete
Todoautos.com.pe	Peru	100% owned	Complete
Patiotuerca.com	Ecuador Panama Bolivia	49.9% owned Signed conditional purchase agreement to acquire remaining 50.1%.	Contemporaneously with completion of the Offer
Demotores.com	Mexico and Peru	Signed conditional option to acquire 100%	Exercise of option on Completion of the Offer. Completion of acquisition as soon as practicable thereafter

The Company's 1H FY2014 pro forma historical revenue by country (assuming 100% ownership of all of the businesses referenced above) is illustrated below.

Figure 1 – 1H FY14 revenue by geography



While LatAm Autos' business in Argentina, AutoFoco, currently generates a meaningful proportion of its revenue from print advertising (see Section 2.3.1), the Company expects this revenue to shift to online channels as internet penetration increases and auto classifieds advertisers in the LatAm Markets continue to migrate online.

1. Investment Overview

1.1 The Business		
Topic	Summary	For more information
What services will LatAm Autos' businesses provide?	<p>In the key Latin American markets of Argentina, Mexico, Ecuador, Peru, Panama and Bolivia (LatAm Markets), LatAm Autos will primarily provide a dedicated online auto classifieds platform to commercial sellers, private sellers and buyers of vehicles.</p> <p>It will also offer premium automotive related content to automotive buyers and enthusiasts, as well as advertising services and solutions. Automotive content will be produced by LatAm Autos, and distributed across group websites.</p> <p>The ability to provide proprietary premium automotive content is a key advantage in generating user engagement and a superior user experience over competitors.</p> <p>The Company also has an offline magazine in Argentina providing automotive related content, advertising services and automotive classifieds.</p>	Section 2
How does LatAm Autos generate its income?	<p>LatAm Autos will primarily provide a dedicated online, searchable auto classifieds platform that will generate revenues from three primary sources:</p> <ol style="list-style-type: none"> 1. Revenues from automotive dealers <ul style="list-style-type: none"> • <i>Subscription service</i>: Fees for the purchase of a particular number of spaces in order to display inventory. • <i>Advertising</i>: Fees for the promotion of dealers' brands on LatAm Autos' websites. • <i>Lead Generation</i>: Fees for each particular lead or message the dealer receives. • <i>Depth products</i>: Opportunity for dealers to pay more to enhance and highlight a listing. 2. Revenues from private listings <ul style="list-style-type: none"> • <i>Listing fees</i>: Private sellers are charged listing fees under various plans and structures to advertise and sell motor vehicles using LatAm Autos' classifieds websites. • <i>Depth products</i>: Opportunity for private sellers to pay more to enhance and highlight a listing. 3. General advertising <ul style="list-style-type: none"> • <i>Display Banners</i>: Fees charged for display advertising, also known as "Banner advertising", for automotive brands, automotive related companies (such as car finance and insurance providers) and other non-automotive related companies. • <i>Content and premium content generation</i>: Fees charged to automotive and/or automotive parts manufacturers or institutional dealers seeking to promote their goods and services. • <i>Communication tools</i>: Fees charged for the use of online communication tools, such as an email newsletter service, in order to promote a particular brand, product or service. 	Section 2

1. Investment Overview

1.1 The Business		
Topic	Summary	For more information
What are LatAm Autos' key business strategies?	<p>LatAm Autos is focused on strengthening its market positions in online auto classifieds in the LatAm Markets, with an objective of achieving the dominant market share position in all six LatAm Markets.</p> <p>LatAm Autos will focus on increasing both inventory and traffic to its websites with a target of having the largest number of relevant and active vehicles listed for sale on its websites relative to its competitors and to maximise performance of the listings. To achieve this the Company will focus on initiatives such as:</p> <ul style="list-style-type: none"> • Outstanding user experience based on design and advanced functionalities for users; • Introduction of a proprietary Dealer Management System (DMS) with a Customer Relationship Management (CRM) software across all markets to accelerate dealer network penetration and create strong customer loyalty; • Strategically promote free or discounted listings in markets that are less developed to promote market share increases; and • LatAm Autos will centralise its management and marketing functions, continuously develop and advance its technology platform and create automotive and marketing content to be distributed across its markets. <p>The Company may also implement an accelerated monetisation strategy for markets where customers already pay for premium dedicated online auto classifieds services.</p> <p>Apart from the Acquisition Agreements, the Company has not entered into any other sale and purchase agreements. However, as part of LatAm Autos' strategy, it intends to consider and potentially pursue other acquisitions from time to time. The timing, size and other details relating to potential future acquisitions are uncertain.</p>	Section 2
How does LatAm Autos expect to fund its operations?	LatAm Autos expects to fund its operations through cash flow received from its business activities, in addition to proceeds raised as part of the Offer to fund working capital and growth initiatives.	Section 2
Who are the Directors of LatAm Auto?	<p>Timothy Handley, Executive Chairman</p> <p>Simon Clausen, independent, non-executive Director</p> <p>Michael Fitzpatrick, independent, non-executive Director</p> <p>Colin Galbraith, independent, non-executive Director</p>	Section 4
Who are the key management of LatAm Autos?	<p>Timothy Handley, Executive Chairman</p> <p>Jorge Mejía Ribadeneira, CEO</p> <p>Gareth Bannan, Chief Financial Officer</p> <p>Jacobo Morena, Chief Technology Officer</p> <p>Ariel Cilento, Chief Operations Officer</p> <p>Matthew Carpenter-Arevalo, Chief Marketing Officer</p>	Section 4

1. Investment Overview

1.1 The Business		
Topic	Summary	For more information
What are the key highlights of an investment in LatAm Autos?	<i>Strategically positioned for growth with leading positions¹</i> <ul style="list-style-type: none"> Autofoco.com is a leading dedicated auto classifieds website for Argentinian users. Combined, demotores.com.mx and seminuevos.com will be the leading, dedicated online auto classifieds websites for Mexican users with the highest dealer network penetration of its competitors. Patituerca.com is the leading dedicated online auto classifieds website for Ecuadorian, Panamanian and Bolivian users. Todoautos.com.pe is the leading automotive content website based in Peru. 	Section 2
	<i>Exposure to growth markets</i> Over the next five years GDP per capita is forecast to continue to increase at an average CAGR of 4% across the LatAm Markets ² .	Sections 2 and 3
	<i>Increasing motorisation rates in LatAm Markets³</i> Car ownership in the LatAm Markets grew at a CAGR of 7.5% between 2005 and 2012 ⁴ . Sales of new cars in the LatAm Markets grew at a CAGR of 5.4% between 2005 and 2012, with total sales of new cars across the LatAm Markets in 2013 of 1.63m ⁵ .	
	<i>Attractive industry growth profile</i> Online advertising is growing rapidly in LatAm Markets, with annual growth being experienced in Argentina, Mexico and Peru in recent years of between 26% and 45% ⁶ . This trend is expected to continue, with online advertising expenditure across Argentina, Ecuador, Mexico and Peru estimated to grow at 22% over the five years to 2018 ⁷ . The automotive industry is one of the largest advertising categories globally, accounting for 9.2% of global advertising expenditure in 2013 ⁸ . As car ownership and car sales increase in LatAm Markets and online advertising growth continues, the Company expects online automotive advertising to increase as a percentage of total advertising expenditure in Latin America.	Sections 2 and 3

1. Based on total monthly visits (as described on similarweb.com) measured over the 6 month period up to 30 September 2014 for LatAm Autos' websites and comparing to other dedicated online auto classifieds competitors using similarweb.com. LatAm Autos believes this is the best available data, but it has not independently verified.

2. Independent Market Report – Figure 11, Page 13.

3. Independent Market Report – Figure 11, Page 12.

4. Independent Market Report – Figure 12, Page 14.

5. Independent Market Report – Figure 13, Page 15.

6. Independent Market Report – Figure 5, Page 6.

7. Independent Market Report – Figure 16, Page 18.

8. Independent Market Report – Page 11.

1. Investment Overview

1.1 The Business		
Topic	Summary	For more information
What are the key highlights of an investment in LatAm Autos? continued	<i>Structural shift to online classifieds</i> As online advertising gained traction in developed markets, there was a disruptive shift in classified advertising from print media to online. In Australia, for example, online classified advertising as a share of total classified advertising increased from 18% in 2007 to 56% in 2013 ¹ . This structural shift is expected to occur in the LatAm Markets as online auto classifieds websites gain scale. LatAm Autos believes it is well positioned to become a dominant player in the LatAm Markets as the shift to online continues.	Sections 2 and 3
	<i>Regional business model</i> LatAm Autos' business model is structured around its portfolio of dedicated automotive focused online classified businesses. While each business is tailored to local markets to be culturally relevant for users, there are organisational, marketing and back-end technology synergies available across the corporate group.	Section 2
	<i>Targeted monetisation strategy</i> LatAm Autos has developed a targeted strategic plan to monetise its position in each of the LatAm Markets. These monetisation pathways have been designed based on the current market position, competitive landscape and scale of its various portfolio businesses. This approach is designed to achieve the traffic and listings growth, product offering, advertiser group mix (spanning car dealers, private sellers, auto brands and other advertisers), and pricing structure required to build a dominant, profitable and sustainable platform for the long term.	Section 2
	<i>Experienced Board and management team</i> Within LatAm Autos' Board and management team, there is significant experience in establishing, operating, growing and monetising online classifieds businesses in a number of LatAm Markets. LatAm Autos is positioned with the potential to become a dominant regional player in the online auto classifieds sector in the LatAm Markets.	Section 4

1. Independent Market Report – Page 8.

1. Investment Overview

1.2 The Offer		
Topic	Summary	For more information
Key Offer Statistics	Offer Price	\$0.30 per Share
	Total number of Shares available under the Offer	60,000,000
	Total cash proceeds from the Offer	\$18.0m
	Total number of Shares on issue on Completion of the Offer ¹	239,822,166
	Indicative market capitalisation at the Offer Price ²	\$71.9m
	Pro forma net cash at Completion of the Offer ³	\$13.8m
	Notes 1. Includes the Shares to be issued on completion of the Avisoriaweb Share Purchase Agreement. 2. Based on the Offer Price and the total number of Shares on issue on Completion of the Offer and includes the Shares to be issued on completion of the Avisoriaweb Share Purchase Agreement. 3. Assumes completion of the acquisition under the Demotores Agreement.	
Who is the issuer of the Prospectus?	LatAm Autos Limited, a public company incorporated in Victoria, Australia.	Section 2
What is the Offer?	The Offer is an initial public offering of 60,000,000 Shares, at an Offer Price of \$0.30 (30 cents) per Share.	Section 5
Why is the Offer being conducted?	The purpose of the Offer is to: <ul style="list-style-type: none"> • Accelerate growth of the LatAm Autos business through funding operational and marketing based initiatives, as well as acquisition and integration initiatives; • Fund cash payments due under the Demotores Agreement and deferred consideration under Acquisition Agreements; • Fund working capital and anticipated future acquisitions; • Provide LatAm Autos with access to capital markets; • Provide the LatAm Autos business with the benefits of an enhanced corporate profile that arises from being a listed entity; and • Provide funds to pay the expenses of the Offer. 	Section 2

1. Investment Overview

1.2 The Offer				
Topic	Summary			For more information
How will the proceeds of the Offer be used?	The proceeds of the Offer will be applied in accordance with the following table:			Section 2
	Sources	A\$m	Uses	
	Cash proceeds received for the issue of new Shares	18.0	Remaining consideration under Acquisition Agreements ¹	
			Working capital:	
			Marketing	
			Personnel	
			Other	
			Future acquisitions	
			Transaction and Offer costs	
	Total	18.0	Total	
What payments are required under the Acquisition Agreements?	Agreement	Amount	Payment details	Vendor(s)
	TodoAutos (asset purchase agreement) ²	Tranche 1: PEN\$3.1m (A\$1.2m ³)	Paid	Netmedia S.A.C
		Tranche 2: PEN\$0.7m (A\$0.3m ³)	Cash payment due on 30 April 2015	
		Tranche 3: PEN\$0.7m (A\$0.3m ³)	Cash payment due on 31 October 2015	
	PatioTuerca (share purchase agreement)	Tranche 1: A\$4.7m ⁴	Paid	Jorge Mejía Ribadeneira (the CEO of LatAm Autos), Diego Fernando Camacho Puente, Daniel Ponce Mejía and Andrés Jacobo Moreno Noboa
		Tranche 2: 23.7m Shares	Shares issued on Completion of the Offer ⁵	

1. Includes the exercise and completion of the Demotores Agreement (inclusive of the recoverable Value Added Taxes (VAT) to be paid of approximately 16%. AUD:USD exchange rate of 1:0.9246 applied), and balance of consideration for Seminuevos Acquisition Agreement (AUD:USD exchange rate of 1:0.9246 applied) and TodoAutos Acquisition Agreement (AUD:PEN (Peruvian Sole) exchange rate of 1:2.6348 applied).

2. Amount excludes VAT payable at 18%

3. Assumes conversion at AUD:PEN rate at 30 June 2014 of 1:2.6348.

4. Consideration was fixed in AUD.

5. 23,694,000 Shares to be issued.

1. Investment Overview

1.2 The Offer

Topic	Summary				For more information	
What payments are required under the Acquisition Agreements? continued	Agreement	Amount	Payment details	Vendor(s)	Section 9.4.1	
	Seminuevos (asset purchase agreement) ¹	Tranche 1: US\$1.7m (A\$1.8m ²)	Paid	Consultoría en Comercio Electrónico, S.C, Roberto García González and Daniel García González		
		Tranche 2: US\$0.2m (A\$0.2m ²)	Cash payment due on 22 April 2015			
	Demotores (conditional asset purchase agreement) ¹	Option Payment: US\$0.86m ¹ (A\$0.93m ²)	Paid	Dridco Mexico S.A. de C.V. and Intangible Assets LLC		
		Acquisition Price: US\$4.9m (A\$5.3m ²)	Cash paid upon completion of the agreement			
Cash payments required to be made under the Demotores Agreement will be funded from proceeds raised as part of the Offer.						
What is the key financial information? ³	Pro forma historical				Section 7	
		FY12	FY13	1HY14		
	A\$m	12mths	12mths	6mths		
	Revenue	7.0	6.6	2.9		
	EBITDA	(0.2)	0.1	(0.6)		
	Revenue (ex Argentina)	2.0	2.6	1.6		
	EBITDA (ex Argentina)	(0.5)	(0.1)	(0.3)		
	The primary reasons for the decline in revenue over FY13 include the depreciation of the Argentinean Peso, which is not reflective of the underlying business performance, and underinvestment in the Argentinean business by the previous owner. See Section 7.3.2 for a breakdown of revenue contribution by region which demonstrates strong growth in other countries.					
	Will the Shares be quoted on the ASX?					Section 5
	LatAm Autos will make an application to the ASX within seven days of the Original Prospectus Date for admission to the Official List and quotation of the Shares (which is expected to be under the code LAA). It is anticipated that quotation will initially be on a deferred settlement basis.					
How is the Offer structured?	The Offer comprises: <ul style="list-style-type: none">• The Broker Firm Offer, which consists of Shares to eligible sophisticated and retail investors in Australia who have received an invitation to participate from their Broker; and• The Institutional Offer, which consists of an offer to Institutional Investors in Australia and a number of other eligible jurisdictions to bid for Shares.				Sections 5.11 and 5.12	

1. Amount excludes VAT payable at 16%

2. Assumes conversion at AUD:USD rate at 30 June 2014 of 1:0.9246.

3. Includes all acquisitions as though they had been acquired by LatAm Autos on 1 January 2012.

1. Investment Overview

1.2 The Offer		
Topic	Summary	For more information
Is the Offer under-written?	The Broker Firm Offer and the Institutional Offer have been jointly underwritten by Canaccord Genuity (Australia) Ltd and Moelis Australia Advisory Pty Limited. A summary of the Underwriting Agreement, including the events which would entitle the Underwriters to terminate the Underwriting Agreement, is set out in Section 9.4.2.	Section 9.4.2
What is LatAm Autos' dividend policy?	The Directors have no current intention to declare and pay a dividend in the near term. Future available cash flows will be reinvested in the Company's businesses to develop and grow these businesses.	Section 5.20
What is the allocation policy?	LatAm Autos and the Joint Lead Managers together reserve the right, in their absolute discretion, to issue the Shares applied for under any Application in full or to issue any lesser number or to decline any Application. LatAm Autos and the Joint Lead Managers may in their absolute discretion give preference to certain investors in accepting Applications under the Offer.	Section 5.8.9
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on Shares issued under the Offer.	Section 5.8.15
What is the minimum Application under the Offer?	Applicants must apply for a minimum of 6,667 Shares, representing a minimum investment of \$2,000. Applicants applying for additional Shares must also apply for Shares in multiples of 1,667 Shares (representing a further investment of \$500).	Section 5.8.7
What are the tax implications of making an investment in the Company?	The taxation implications of investing in LatAm Autos will depend on an investor's individual circumstances. Applicants should obtain their own tax advice prior to making an investment in LatAm Autos. A general overview of the tax implications for Australian investors can be found in Section 9.5.	Section 9.5
Who can participate in the Offer?	The Broker Firm Offer is open to clients of Brokers who are Australian residents and have received an invitation to participate in the Offer. The Institutional Offer consists of an invitation to bid for Shares made to Institutional Investors in Australia and a number of other eligible jurisdictions.	Section 5.8.4
How do I apply for Shares?	Broker Firm Applicants may apply for Shares by completing a valid Application Form accompanying this Prospectus, and lodging it with the Broker who invited them to participate in the Offer. The Opening Date for the Offer is 11 December 2014 and the Closing Date for the Offer is 5.00pm (AEST) on 12 December 2014, or such later dates as the Directors, in their absolute discretion, may determine. To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.	Section 5.11.2 and 5.12.1
When will I receive confirmation that my Application has been successful?	It is expected that initial Shareholder Statements will be despatched by standard post on or around 18 December 2014.	Section 5.8.8

1. Investment Overview

1.2 The Offer		
Topic	Summary	For more information
Can the Offer be withdrawn?	LatAm Autos reserves the right not to proceed with the Offer at any time before the issue of Shares to successful Applicants. If the Offer does not proceed, Application Monies will be refunded without interest as soon as is practicable in accordance with the requirements of the Corporations Act.	Section 5.17
Where can I find more information?	<p>If you are unclear or uncertain as to whether LatAm Autos is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.</p> <p>If you wish to obtain additional copies of this Prospectus, please contact LatAm Autos' Share Registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) or visit www.latamautos.com.</p>	Section 5
What are the key risks of the Offer?	<p><i>Decline in the online auto classifieds market and expenditure in Latin America</i></p> <p>The online auto classifieds market in Latin America is subject to factors outside the control of the Company. These factors include the general market outlook for economic growth and interest rates. If growth in this market slows down, if this market contracts, or if expenditure on online auto classifieds decreases, the Company may be unable to meet its business objectives.</p> <p><i>Decline in economic growth and automotive ownership in Latin America</i></p> <p>Latin America is currently experiencing rising levels of automotive ownership, which has been stimulated by growing wealth and GDP per capita. Although it is anticipated that economic growth in Latin America will continue to stimulate rising levels of automotive ownership, this may not eventuate. If economic growth, and therefore automotive ownership in Latin America does not increase as expected, this may impact on LatAm Autos' advertising and listing revenues and therefore on the expected growth of LatAm Autos.</p> <p><i>Decline in growth of internet penetration, rate of migration online and rate of improvement of internet infrastructure</i></p> <p>Internet penetration in the LatAm Markets has been growing. However, there can be no guarantee that this growth will continue in the future. In addition, growth in online classifieds is underpinned by a range of factors including improvement of internet infrastructure and migration from more traditional forms of media. While increased internet penetration and a migration of online classifieds to digital platforms has occurred over recent years there can be no guarantee that the rate of penetration and migration will continue in the future, which may have an adverse effect on the expected growth of the Company. Similarly, internet infrastructure and technologies such as broadband and mobile internet in Latin America may not advance as quickly as anticipated, which may also have an adverse impact on the expected growth of the Company.</p>	Section 6

1. Investment Overview

1.2 The Offer		
Topic	Summary	For more information
What are the key risks of the Offer? continued	<p><i>Completion of Demotores business acquisition (Mexico and Peru)</i></p> <p>LatAm Autos has entered into an option agreement with Dridco Luxembourg S.A., Dridco Holding, LLC, Dridco Mexico S.A. de C.V. and Intangible Assets LLC (Dridco Parties) under which certain of the Dridco Parties granted LatAm Autos an irrevocable option to acquire its online auto classifieds business and associated assets in Mexico and Peru, including the websites: 'www.demotores.com.mx' and 'www.demotores.com.pe' (see Section 9.4.1). LatAm Autos proposes to exercise the option immediately after Completion of the Offer. The Company intends to complete the acquisition as soon as practicable thereafter.</p> <p>Due to circumstances beyond the control of LatAm Autos, its Directors and management team, it is possible that the Demotores (Mexico and Peru) acquisition may not ultimately close or that closing of the acquisition may be delayed. This could materially impact LatAm Autos' future earnings but would also result in additional capital for other future acquisitions by LatAm Autos.</p> <p><i>Managing rapid growth</i></p> <p>LatAm Autos aims to rapidly grow its operating activities. If LatAm Autos is unable to manage its targeted growth successfully, including through the recruitment, training, integration and management of the anticipated increase in staff required to support such growth, it may not be able to take advantage of market opportunities, satisfy customer requirements, execute its business plan or respond to competitive pressure.</p> <p><i>Increased competition</i></p> <p>Internet businesses have low barriers to entry. Current or new competitors may adopt certain aspects of the Company's business model without great financial expense, thereby reducing the Company's ability to differentiate its services. Competition may arise from a number of sources. It may include companies from traditional media, such as print media auto classifieds, that may have greater capital resources than the Company. Competition may also arise from global online classified companies and/or online auction platforms with developed processes, systems, and technology. There may also be an increase in online auto or general classified companies who gain market share by providing listing services free of charge. Any significant competition may adversely affect the Company's ability to meet its business objectives.</p> <p><i>Foreign currency risk</i></p> <p>LatAm Autos derives close to 100% of its revenue and incurs a significant proportion of its costs from its activities in geographies outside Australia namely Argentina, Mexico, Ecuador, Peru, Panama and Bolivia. Accordingly, LatAm Autos' Australian dollar-denominated results are exposed to exchange rate fluctuations with respect to the currencies of those nations. These exposures may change over time as business practices evolve, and they could have a material adverse impact on LatAm Autos' Australian dollar denominated financial results and cash flows.</p>	Section 6

1. Investment Overview

1.2 The Offer		
Topic	Summary	For more information
What are the key risks of the Offer? continued	<p><i>Integration of acquired businesses and execution of new acquisitions</i></p> <p>(a) Integration of acquired businesses</p> <p>LatAm Autos has come into existence through the acquisition of businesses and assets in Argentina, Mexico, Ecuador and Peru. Acquisitions present significant challenges and risks relating to the integration of each business into one holistic business.</p> <p>The acquired businesses could consume a disproportionately large proportion of management time and attention during integration, and the acquisitions may fail to meet the strategic objective of generating the anticipated improvement in financial performance. LatAm Autos undertook financial, legal, business and other analysis in respect of its acquisitions, and expects to do so in respect of any future acquisitions. It is possible that such analysis drew (or will draw) conclusions and forecasts that were (or may be) inaccurate, or which will not be realised in due course, which may in turn adversely affect LatAm Autos' future financial performance.</p> <p>(b) Execution of new acquisitions</p> <p>LatAm Autos' may pursue acquisition opportunities from time to time as part of its overall strategy. LatAm Autos may not be successful in identifying future acquisition opportunities, assessing the value, strengths and weaknesses of these opportunities and finalising acquisitions on acceptable terms. In addition, LatAm Autos may compete for certain acquisition targets with companies having greater financial resources than it does. Any future proposals to expand by acquisition may be affected by other factors beyond the control of the Company, the Directors and Company management (including without limitation, commercial or regulatory changes), which may result in there being limited or unsuitable acquisition opportunities at the relevant time.</p> <p>If LatAm Autos identifies future acquisition opportunities, it may need to raise further capital including by issuing Shares. If it issues further Shares, this has the potential to dilute Shareholders.</p> <p><i>Print industry trends</i></p> <p>While LatAm Autos is focused on online auto classifieds listings, the Company also sells print listings through its AutoFoco classifieds magazine. Print listings in AutoFoco's classifieds magazine comprised approximately 29% of LatAm Autos' revenue in 1HY2014 (see Section 1.1 & Section 2.3.1).</p> <p>LatAm Autos intends to migrate the readership of the AutoFoco classifieds magazine to AutoFoco's online auto classifieds. There is a risk that as LatAm Autos seeks to migrate its readership online, the revenue from AutoFoco's online auto classifieds listings does not increase as quickly or as much as the reduction in revenue from print listings in AutoFoco's classifieds magazine.</p>	Section 6

1. Investment Overview

1.3 Shareholders, Directors and Related Parties

Topic	Summary		For more information			
Who are the existing significant shareholders and what will be their interest in LatAm Autos at Completion of the Offer?	Shareholding on Completion of Offer		Sections 4, 5.6 and 5.7			
	Key Shareholder	No. of Shares % Shareholding				
	Chestnut Partners Ltd	50,000,000 20.8%				
	Avisoriaweb Vendors	23,694,000 9.9%				
	Log Creek Pty Ltd	34,037,038 14.2%				
	Startive Ventures Inc	19,722,223 8.2%				
	Chestnut Partners Ltd is the founding Shareholder of LatAm Autos and will own approximately 20.8% of LatAm Autos on Completion of the Offer and completion of the Avisoriaweb Share Purchase Agreement.					
	The Directors of Chestnut Partners Ltd are Timothy Handley and Gareth Bannan. The shareholders of Chestnut Partners Ltd are Timothy Handley, Gareth Bannan and Jorge Mejía Ribadeneira.					
	Log Creek Pty Ltd is a company controlled by Michael Fitzpatrick, a non-executive director of the Company.					
	Startive Ventures Inc is a company controlled by Simon Clausen, a non-executive director of the Company.					
What significant benefits are payable to Directors and other persons connected with the Company or the Offer and what significant interests do they hold?	Shareholding on Completion of Offer			Section 4 and 5.7		
	Person	Direct	Indirect		Total	%
	Timothy Handley ¹	–	28,125,000		28,125,000	11.7%
	Michael Fitzpatrick ²	–	34,037,038		34,037,038	14.2%
	Simon Clausen ³	–	19,722,223		19,722,223	8.2%
	Jorge Mejía Ribadeneira ⁴	9,003,720	2,500,000		11,503,720	4.8%
	Colin Galbraith ⁵	–	740,741		740,741	0.3%
	All Directors excluding Timothy Handley will receive Directors’ fees. Further information is set out in Section 4.3.2.					
	Timothy Handley, the Executive Chairman, and Jorge Mejía Ribadeneira, the Chief Executive Officer will receive remuneration in accordance with their consultancy agreements and the Company’s short and long term incentive plans.					
	Under the Offer Michael Fitzpatrick will subscribe for 10,000,000 Shares and Simon Clausen will subscribe for 6,666,667 Shares. No other Directors intend to subscribe for Shares under the Offer in addition to their current holdings.					
Advisers and other service providers are entitled to fees for services. Further information on these fees is set out in Section 9.6.						

- Timothy Handley's indirect holding of 28,125,000 Shares has been calculated on the basis of Mr Handley's economic interest in 56.25% of Chestnut Partners Ltd, which holds 50,000,000 Shares. Timothy Handley's deemed relevant interest in LatAm Autos, through his position as the controlling shareholder of Chestnut Partners Ltd, is 50,000,000 Shares or 20.3%.
- Shares held through Log Creek Pty Ltd., including 925,926 Shares to be transferred to Log Creek Pty Ltd before Completion of the Offer and 10,000,000 Shares subscribed to under the Offer. Total shareholding shown is reflective of relevant interest in LatAm Autos.
- Shares held through Startive Ventures Inc., including 925,926 Shares to be transferred to Startive Ventures Inc before Completion of the Offer and 6,666,667 Shares subscribed to under the Offer. Total shareholding shown is reflective of relevant interest in LatAm Autos.
- Jorge Mejía Ribadeneira is not a Director, however he is a significant person connected with the Company. Mr Mejía Ribadeneira's indirect holding of 2,500,000 Shares has been calculated on the basis of Mr Ribadeneira's economic interest in 5% of Chestnut Partners Ltd, which holds 50,000,000 Shares. Jorge Mejía Ribadeneira's relevant interest in LatAm Autos does not include this indirect holding. Mr Mejía Ribadeneira's relevant interest in LatAm Autos is 9,003,720 Shares or 3.8%.
- Shares held through superannuation fund. Total shareholding shown is reflective of relevant interest in LatAm Autos.

1. Investment Overview

1.3 Shareholders, Directors and Related Parties

Topic	Summary	For more information
What escrow restrictions apply to the key Shareholders' Shares?	The percentage of Shares held by the Directors and the CEO (or by a company controlled by them) that will be Restricted Shares prohibited from disposal for the time periods referred below are:	Section 5.8.13

- Timothy Handley's shares, held through Chestnut Partners Limited, are restricted as to 100% for 24 months after Listing on the terms of an ASX mandatory restriction agreement.
- Jorge Mejía Ribadeneira's Shares are restricted as to 100% for 24 months after Listing on the terms of an ASX mandatory restriction agreement.
- Simon Clausen's shares, held through Startive Ventures, Inc, are restricted as to 15.9% for 24 months after Listing on the terms of an ASX mandatory restriction agreement. Mr Clausen has agreed to restrict a further 48.2% of his shares for 12 months after Listing on the terms of a voluntary restriction agreement with the Company.
- Michael Fitzpatrick's shares, held through Log Creek Pty Ltd, are restricted as to 32.9% for 24 months after Listing on the terms of an ASX mandatory restriction agreement. Mr Fitzpatrick has agreed to restrict a further 31.8% of his shares for 12 months after Listing on the terms of a voluntary restriction agreement with the Company.
- Colin Galbraith's shares are held through a superannuation fund, fund and are restricted as to 10.0% for 24 months after Listing on the terms of an ASX mandatory restriction agreement. Mr Galbraith has agreed to restrict 90% of his shares for 12 months after Listing on the terms of a voluntary restriction agreement with the Company.
- 52.95% of total shares after Completion of the Offer are restricted for 12 months after Listing on the terms of an ASX mandatory restriction agreement. 17.84% of total shares after Completion of the Offer are agreed to be restricted for 12 months on the terms of a voluntary restriction agreement with the Company.
- 32.77% of total shares after Completion of the Offer remain restricted until 24 months after Listing on the terms of an ASX mandatory restriction agreement. 0% of total shares after Completion of the Offer remain restricted until 24 months after Listing on the terms of a voluntary restriction agreement with the Company.



2.

COMPANY OVERVIEW

2. COMPANY OVERVIEW

2.1. Overview of LatAm Autos

Upon completion of the Acquisition Agreements LatAm Autos will be a leading dedicated online auto classifieds and content platform in Latin America¹. During September 2014, its websites collectively had over 5 million sessions². Automotive listings across all 6 markets totalled 77,929 as at 30 September 2014².

LatAm Autos primarily provides online auto classifieds services to commercial sellers, private sellers and buyers of vehicles across Argentina, Mexico, Ecuador, Peru, Panama and Bolivia.

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

2.1.1. LatAm Autos' businesses

Figure 2 – Business locations

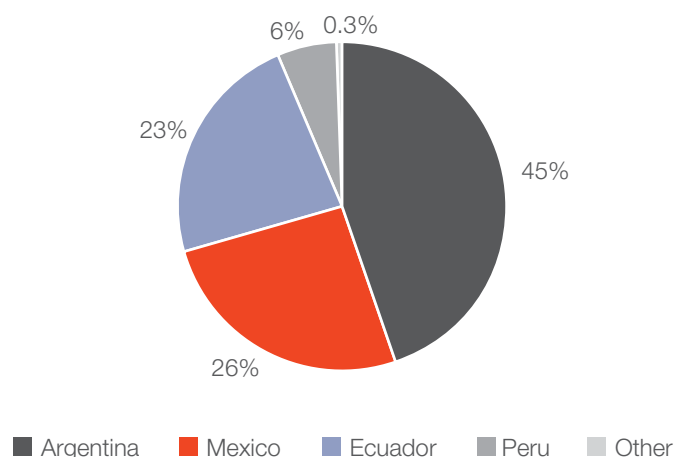


1. Based on total monthly visits (as described on similarweb.com) measured over the 6 month period up to 30 September 2014 for LatAm Autos' websites and comparing to other dedicated online auto classifieds competitors using similarweb.com. LatAm Autos believes this is the best available data, but it has not independently verified.
2. Based on total monthly sessions and listings using proprietary analytics tools.

2. Company Overview

Figure 3 – 1H FY14 Revenue by geography

The Company's 1H FY14 pro forma historical breakdown of revenue (assuming 100% ownership of all of the businesses referenced above) between the various Latin American countries is illustrated below.



While LatAm Autos' business in Argentina, AutoFoco, currently generates a meaningful proportion of its revenue from print advertising (see Section 2.3.1), the Company expects this revenue to shift to online channels as internet penetration increases and auto classified advertisers in the LatAm Markets continue to migrate online.

2.1.2. The online auto classifieds business

The main objective of online auto classifieds businesses is to facilitate the sale of vehicles through linking buyers to sellers through websites. The main features include:

1. Enabling vehicle sellers (including private sellers and automotive dealers) to list the specifics of their vehicle for sale via an easily accessible internet platform, thereby gaining access to a large audience of potential buyers; and
2. Allowing buyers to review inventory for sale using search parameters. Vehicle buyers can narrow their search parameters to filter by specific details (such as vehicle model and year), with only results that match the search criteria shown. This method is substantially more efficient than traditional means of reviewing classifieds advertisements in newspapers.

Online auto classifieds businesses have a number of distinct advantages over traditional print classified models. Some of these advantages include:

- **Reach:** Eliminates geographical barriers in linking users with content.
- **Searchable databases of automotive information:** With specific search criteria, potential buyers can filter inventory available in a fast and efficient manner.
- **Accessible audience and database:** Inventory is easily accessible online by buyers at any time. Buyers are not limited by location or time constraints. This is becoming increasingly important as the penetration of mobiles and smartphones continues.
- **More informed buyers:** Information available online for each vehicle is vastly greater than information typically able to be included in traditional print classifieds, primarily due to the cost to publish this information. Costs incurred by online businesses, including large volumes of information along with photographs for each item of inventory, are a fraction of the print costs incurred to publish an equivalent volume of information.
- **Greater access to information:** Prospective buyers using online auto classifieds are able to easily and quickly undertake substantial research to determine their interest in an item of inventory, before needing to contact the seller. This reduces the time that sellers spend managing the sale process. This improvement is of particular value for automotive dealers, which drive large listing volumes through online classified websites and typically list a large range of vehicles at any one time.
- **Advertisement analytics:** Sellers benefit from the ability to obtain real-time data and analytics about the performance of their vehicle advertisement, including number of views, data about prospective buyers that have viewed their advertisement and relative price benchmarking. These insights enable the seller to optimise their advertisement to achieve the highest price. Real-time analytics are not possible using traditional print media.

2. Company Overview

- **Lower listing costs:** As the cost to operate an online auto classifieds business is much lower than businesses of comparable scale providing print classifieds, cost savings are able to be passed on to vehicle sellers through lower listing costs.

With significantly enhanced functionality, low costs to list and a greater audience to which to advertise, automotive sellers are incentivised to choose an online auto classifieds provider to sell their vehicle.

2.1.3. Market positioning and competitive landscape

Latin America is generally considered one of the most attractive emerging markets globally. As a result, LatAm Autos has an opportunity to become a dominant regional auto classifieds platform, in markets with attractive growth characteristics, including:

- Combined population of 222 million (2013);
- Strong growth in average household income as measured by GDP per capita, with:
 - Historical average GDP per capita growth of 6.0% per annum since 2000;
 - Forecast average GDP per capita growth of 4.0% per annum to 2019;
- Annual automotive advertising spend of \$695 million (2012);
- An increasing number of passenger cars, with a 7.5% CAGR since 2000;
- A large addressable market, with three-times greater aggregate sales of new passenger cars than Australia (since 2005);
- Proximity to the USA which influences consumer trend in relation to how the internet is used in the process of buying or selling a motor vehicle;
- Strong forecast growth in relation to the usage of smart phones; and
- Upside in online advertising share of total advertising dollars, which still represents less than 10% of total advertising, but which is shifting online¹.

Online auto classifieds is in an emerging industry in the LatAm Markets. Strong growth is expected over the coming years due to increasing wealth, increasing vehicle ownership, increasing advertising spend and a continued migration to online advertising.

LatAm Autos competes with a broad range of industry participants including print media automotive classifieds, online auto classifieds, general online classifieds businesses and online auction platforms. In this landscape, LatAm Autos considers dedicated auto classifieds, both online and traditional print media, to be its major competitors.

LatAm Autos believes that print media automotive classifieds face significant disruption by the structural shift to online classifieds, which minimises the threat of competition from that segment of the market going forward. In addition, as the online auto classifieds industry develops in the LatAm Markets, LatAm Autos believes that vehicle buyers and sellers will exhibit a preference for single category focused classified platforms, which provide a user experience tailored to purchasing and selling vehicles. If this trend emerges, the Company believes this will offset the competitive threat from other general online classifieds and auction businesses with a diversified/multi-vertical focus.

LatAm Autos' businesses currently have strong positions in each of their markets based on a number of key metrics. Given that the online auto classifieds industry in the LatAm Markets is still developing, LatAm Autos sees an opportunity to build on these strong market positions and pursue market share growth.

2.1.4. LatAm Autos' business model

LatAm Autos provides an online, searchable auto classifieds platform that will primarily generate revenues from three sources.

1. Revenues from automotive dealers

- *Subscription service:* Dealers purchase a particular number of spaces in order to display their inventory.
- *Advertising:* Fees for the promotion of dealers' brands on LatAm Autos' websites.
- *Lead Generation:* Fees for each particular lead or message the dealer receives for a new car, which is expected to be a strategic future revenue source as markets mature. This is currently operational in Ecuador and Mexico and management's intention is to roll this feature out across the group.
- *Depth products:* Opportunity for dealers to pay more to enhance and highlight a listing.

1. Source: Frost & Sullivan, Independent Market Report. See Section 3.

2. Company Overview

2. Revenues from private listings

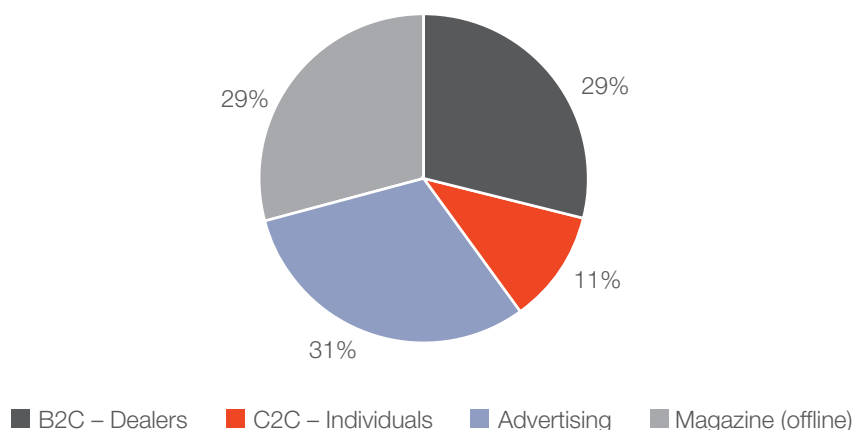
- *Listing fees*: Private sellers are charged listing fees under different plans and structures to advertise and sell vehicles using LatAm Autos' classifieds websites.
- *Depth products*: Opportunity for private sellers to pay more to enhance and highlight a listing.

3. General advertising revenues

- *Display Banners*: Fees charged for display advertising, also known as "Banner advertising", for automotive brands, automotive related companies (such as car finance and insurance providers) and other non-automotive related companies.
- *Content and premium content generation*: Fees charged to automotive and/or automotive part manufacturers or institutional dealers seeking to promote their goods or services.
- *Communication tools*: Fees charged for the use of online communication tools, such as an email newsletter service, in order to promote a particular brand, product or service.

In addition, in the short term, LatAm Autos will continue to operate AutoFoco's print automotive listings business, which offers cross-promotional opportunities to transition readers and advertisers to the AutoFoco.com platform as internet penetration grows and the migration of advertising expenditure migrates from offline to online in Argentina.

Figure 4 – 1H FY14 Revenue by type



LatAm Autos has a simple cost structure. Its key operating expenses relate to employee and developer costs, marketing spend to promote usership and create brand awareness as auto classifieds shift online in the LatAm Markets, costs to maintain its technology and technical architecture, and general administrative costs.

2.1.5. LatAm Autos' technology and user experience

LatAm Autos has deep technology expertise and believes it will offer one of the best user experiences across the region in the online auto classifieds industry. The Company will adopt the cutting-edge technology currently in use for PatioTuerca.com across all of its websites. PatioTuerca.com employs a combination of HTML5, Bootstrap and modern PHP design patterns to facilitate the search of vehicle listings.

2. Company Overview

2.2. LatAm Autos' growth strategy

LatAm Autos is focused on becoming Latin America's first truly regional online auto classifieds and automotive content business, providing a unique, comprehensive and easy to use tool for automotive dealers, private sellers of vehicles and advertisers. LatAm Autos expects this regional scale to capture an increasing share of the fragmented online auto classifieds market in the LatAm Markets as internet penetration continues to increase and auto advertising shifts online.

LatAm Autos may, from time to time, pursue strategic and financially attractive acquisition opportunities to further accelerate growth, secure or improve its existing market positions and achieve its ambition to be the dominant online auto classifieds platform in Latin America.

2.2.1. A focus on increased listings and website traffic

LatAm Auto's core strategic focus is to have the largest number of relevant and active vehicle listings for sale for each of its target markets. To achieve this, the Company intends to develop the largest and most comprehensive vehicle database of information for each of its websites. Given the early stage of digitalisation for the markets in which LatAm Autos operates, this content strategy has the potential to attract high web traffic and drive increasing numbers of vehicle buyers and sellers to its websites.

2.2.2. Dealer management system (DMS)

A key product development initiative of the Company is to develop a Dealer Management System (DMS) which will also incorporate a Customer Relationship Management (CRM) platform. This initiative is underway and on track to be commercially launched by 1H 2015. It involves the creation of a sophisticated and integrated solution for dealers to manage their inventory marketing (marketing automation component including multi-vehicle posting and lead management) and sales (CRM) with advanced analytics throughout the dealer value chain. The DMS will increase the value of LatAm Autos' platform and is intended to accelerate the rate of dealer network penetration. This has the potential to deliver substantial inventory growth and increase the performance of the Company's platform by providing dealer customers an innovative suite of technologies to efficiently manage their online presence and sales activity.

The CRM will enable dealers to communicate with customers and create workflows that will allow the dealers to follow up with their potential clients through a digital channel.

2.2.3. Pricing strategy

LatAm Autos has profiled and segmented its target market to develop pricing strategies based on how target customers have adopted online auto classifieds listings as a channel to buy and sell vehicles.

In the LatAm Markets the number of individuals using the internet to buy or sell vehicles is growing substantially. However, given the current levels of internet penetration and relative immaturity of online auto classifieds in the LatAm Markets, there are many potential customers who have not yet adopted the internet as a medium to buy or sell vehicles.







Each of the LatAm Markets will have a different pricing structure due to differences in the competitive landscape of each market. In the countries where LatAm Autos is aiming to aggressively increase website traffic and listings, LatAm Autos will provide dealers and private users with free and discounted listings depending on the market. A combination of premium and free products is sometimes referred to as a "Freemium" pricing strategy which may also be employed.

Premium products (which provide the ability to charge customers) are likely to be attractive to users given the high quality user experiences, services and results that its platforms deliver.

LatAm Autos will also provide users with a first step towards the digitalisation of the vehicle purchase or sale process, driving further market penetration and growing listing inventory via free products. The intention is that these users will ultimately be upsold to the premium product as they become more proficient in using online services and their appetite for additional functionality and features grows.

2. Company Overview

Figure 5 – LatAm Autos' strategy by market¹

STRATEGY BY MARKET						
LatAm Autos has a clear plan to monetise each region in which it operates						
	Ecuador	Mexico	Argentina	Peru	Panama	Bolivia
						
IT & Mobile	<ul style="list-style-type: none"> Roll out new PTX platform Continued support of mobile app 	<ul style="list-style-type: none"> Integrate Demotores & SemiNuevos technology platforms Continued support of mobile app 	<ul style="list-style-type: none"> Roll out new PTX platform Continued support of mobile app 	<ul style="list-style-type: none"> Integrate Demotores & TodoAutos technology platforms Develop mobile app 	<ul style="list-style-type: none"> Roll out new PTX platform Continued support of mobile app 	<ul style="list-style-type: none"> Roll out new PTX platform Continued support of mobile app
Marketing	<ul style="list-style-type: none"> Increase offline presence to promote online migration through marketing 	<ul style="list-style-type: none"> Aggressive online and offline advertising campaign 	<ul style="list-style-type: none"> Increase online and offline marketing Relaunch of AutoFoco.com brand 	<ul style="list-style-type: none"> Relatively aggressive advertising campaign 	<ul style="list-style-type: none"> Intermediate spend on advertising 	<ul style="list-style-type: none"> Moderate spend on advertising
Listing Strategy	<ul style="list-style-type: none"> Paid 	<ul style="list-style-type: none"> Freemium 	<ul style="list-style-type: none"> Freemium 	<ul style="list-style-type: none"> Initially free Transition to freemium 	<ul style="list-style-type: none"> Freemium 	<ul style="list-style-type: none"> Freemium
New Products	<ul style="list-style-type: none"> Car valuation tool² Lead generation Cazadores 	<ul style="list-style-type: none"> Car valuation tool² Lead generation CRM DMS 	<ul style="list-style-type: none"> Car valuation tool² Lead generation CRM DMS Cazadores 	<ul style="list-style-type: none"> Car valuation tool² Lead generation CRM DMS Auto content 	<ul style="list-style-type: none"> Car valuation tool² Lead generation CRM DMS Cazadores Auto content 	<ul style="list-style-type: none"> Car valuation tool² Lead generation CRM DMS Cazadores Auto content
Other		<ul style="list-style-type: none"> Unification of Demotores and SemiNuevos brands 	<ul style="list-style-type: none"> Gradual phase out of print platform 	<ul style="list-style-type: none"> Unification of Demotores and TodoAutos brands Utilization of content platform in other countries 		

1. Strategy reflects management's current intentions and may change subject to business conditions.

2. Car valuation tool, Evaluator, already exists on the PatioTuerca platform and is similar in concept to Redbook in Australia.

2. Company Overview

2.2.4. Monetisation Case Study (Ecuador)

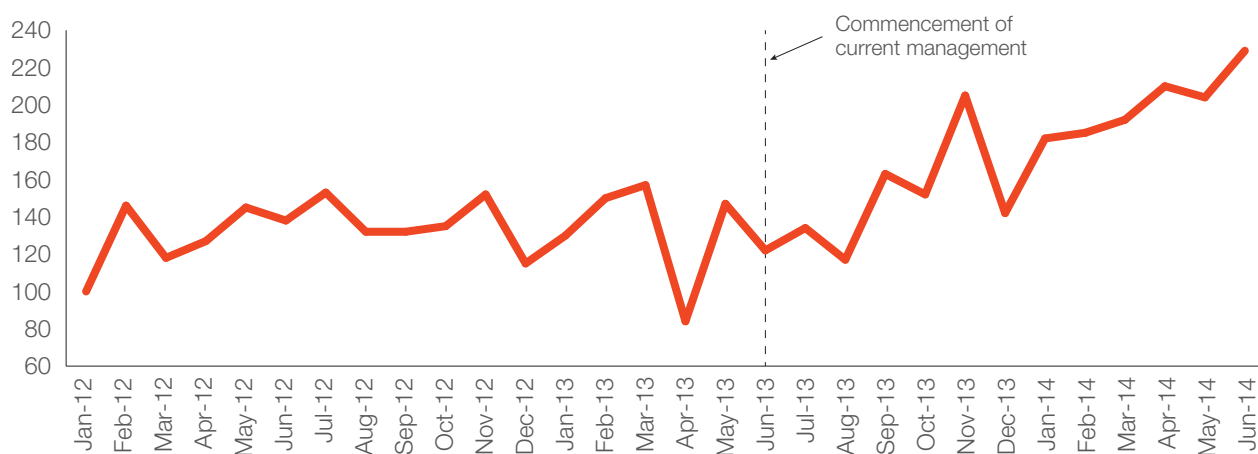
In June 2013, under the leadership of Jorge Mejía Ribadeneira (LatAm Autos' current CEO) PatioTuerca implemented a number of strategic initiatives to increase monetisation of listings.

The strategic initiatives introduced included:

- Enhanced sales employee incentive scheme
- Restructured pricing plans for dealerships
- Expanded call centre operations & outbound marketing initiatives
- Inbound marketing initiatives such as posting related content
- More targeted advertising campaigns

As measured by revenue per listing, PatioTuerca's monetisation rate increased by 88% from June 2013 to June 2014.


Figure 6 – Revenue/Vehicles Posted per month Index



2. Company Overview

2.3. LatAm Autos' Businesses

2.3.1. AutoFoco.com (Argentina)

Business	
Website	autofoco.com
Head Office Location	Buenos Aires, Argentina.
About	Founded in 1999, AutoFoco.com is an auto classifieds website operating in Argentina. Additionally, AutoFoco publishes an automotive classifieds weekly magazine which is distributed through newsstands across Argentina. In the month of September 2014, Autofoco magazine sold 26,400 publications. 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.
Market position	In the month of September 2014, AutoFoco.com had 38,062 listings and 1,138,511 sessions ¹ . The business is in the top 3 dedicated online auto classifieds websites in Argentina ² .
FY13 Revenue	Total revenue of AR\$21.9m split between online revenue of ARS\$7.8m (A\$1.4m ³) and print revenue of ARS\$14.1m (A\$2.6m ³).
Acquisition details	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), from SnT Spain Classifieds Online S.L., SnT Netherlands B.V. and Anuntis Segundamano Espania S.L. The total consideration paid for 100% of the shares in ASA and ASAH was US\$0.2m (A\$0.2m ⁴).
Summary of purchase agreement	Section 9.4.1.

2.3.2. Demotores.com.mx (Mexico)

Business	
Website	demotores.com.mx
Head Office Location	Mexico City, Mexico.
About	Founded in 2010, Demotores.com.mx is an auto classifieds website in Mexico.
Market position	In the month of September 2014 demotores.com.mx had 7,223 listings and 1,136,805 sessions ⁵ . The business is ranked first among dedicated online auto classifieds website in Mexico ² .
FY13 Revenue	MXN 14.3m (A\$1.2m ⁶) in total revenues.
Acquisition details	On 13th October 2014, LatAm Autos entered into the Demotores Agreement by which 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 from Dridco Mexico S.A. de C.V. and Intangible Assets LLC for US\$0.9m (A\$0.9m ⁴).

1. Based on total monthly sessions and listing data using proprietary analytics tools.
2. Based on total monthly visits (as described on similarweb.com) measured over the 6 month period up to 30 September 2014 for LatAm Autos' websites and comparing to other dedicated online auto classifieds competitors using similarweb.com. autofoco.com led its competitors on listings, as at 30 September 2014. It was ranked second or third by total monthly sessions during the 6 month period. LatAm Autos believes this is the best available data, but it has not independently verified.
3. Assumes conversion at AUD:ARS rate of 1:5.4201 (yearly average exchange rate for 2013).
4. Assumes conversion at AUD:USD rate at 30 June 2014 of 1:0.9246.
5. Based on total monthly sessions and listing data for demotores.com.mx using proprietary analytics tools.
6. Assumes conversion at AUD:MXN rate of 1:12.5717 (yearly average exchange rate for 2013).

2. Company Overview

Acquisition details continued	The consideration payable by LatAm Autos to exercise the option is US\$4.9m (A\$5.3m ¹) in cash, payable upon completion of the acquisition (which is expected to occur as soon as practicable following exercise of the option on Completion of the Offer).
Summary of purchase agreement	Section 9.4.1.

2.3.3. SemiNuevos.com (Mexico)

Business



Website	seminuevos.com cars.mx
Head Office Location	Guadalajara, Mexico.
About	Founded in 2000, SemiNuevos.com (including SemiNuevos.com and Cars.mx) is an auto classifieds website in Mexico. Cars.mx 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, SemiNuevos.com and Cars.mx also sell display advertising on their websites.
Market position	In the month of September 2014 SemiNuevos.com had 12,221 listings and cars.mx had 2,545 listings. Together they had 361,644 sessions during September 2014 ² . The business is ranked 6th among dedicated online auto classifieds in websites Mexico ³ .
FY13 Revenue	MXN 2.9m (A\$0.2m ⁴) in revenues.
Acquisition details	On 22nd October 2014, Latamautos Mexico S. de R.L. de C.V. acquired the business and assets of SemiNuevos.com from Consultoria en Comercio Electronico, S.C, Roberto Garcia Gonzalez and Daniel Garcia Gonzalez. The consideration paid by Latamautos Mexico S. de R.L. de C.V. was US\$1.9m (A\$2.05m ¹) in cash (excluding VAT tax payable of 16%), which is payable in 2 tranches. The first tranche of US\$1.7m (A\$1.84m ¹) was paid on 22nd October 2014 with the remaining US\$0.2m (A\$0.22m ¹) to be paid on 22nd April 2015.
Summary of purchase agreement	Section 9.4.1.


2.3.4. Demotores.com.pe (Peru)

This site has limited traffic and use but was included with the acquisition of Demotores.com.mx.

1. Assumes conversion at AUD:USD rate at 30 June 2014 of 1:0.9246. All amounts exclude VAT taxes payable of 16%.
2. Based on total monthly sessions and listings for seminuevos.com and cars.mx using proprietary analytics tools.
3. Based on total monthly visits (as described on similarweb.com) measured over the 6 month period up to 30 September 2014 for LatAm Autos' websites and comparing to other dedicated online auto classifieds competitors using similarweb.com. LatAm Autos believes this is the best available data, but it has not independently verified.
4. Assumes conversion at AUD:MXN rate of 1:12.5717 (yearly average exchange rate for 2013).

2. Company Overview

2.3.5. PatioTuerca.com (Ecuador, Panama, and Bolivia)

Business	 PASIÓN POR LOS MOTORES
Website	patiotuerca.com
Head Office Location	Quito, Ecuador.
About	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, PatioTuerca.com also sells display advertising on its websites.
Market position	Across these three countries, PatioTuerca.com had 12,973 listings and 1,381,408 sessions over the month of September 2014 ¹ . The business is ranked first among dedicated online auto classifieds websites in Ecuador, Panama and Bolivia ² .
FY13 Revenue	US\$0.8m (A\$0.83m ³) in total revenues.
Acquisition details	LatAm Autos acquired 49.9% of the shares in PatioTuerca.com's corporate parent, Avisoriaweb S.A., on 13th October 2014 from its founders Jorge Mejía Ribadeneira, Daniel Mejía Ponce, Diego Fernando Camacho Puente and Andres Jacobo Moreno Noboa. The consideration paid for 49.9% of the shares in Avisoriaweb S.A. was \$4,738,800 in cash. LatAm Autos will acquire the remaining 50.1% of the shares in Avisoriaweb S.A. on the same day as Completion of the Offer for consideration of 23,694,000 Shares, which were valued at the time the Avisoriaweb Share Purchase Agreement was signed on 7th August 2014 at \$0.20. These shares will be issued with disclosure under this Prospectus.
Summary of purchase agreement	Section 9.4.1.

2.3.6. TodoAutos.com.pe (Peru)

Business	 La comunidad sobre autos más grande del Perú
Website	todoautos.com.pe todomotos.pe busesycamiones.pe
Head Office Location	Lima, Peru.
About	Founded in 2005, Todoautos.com.pe (including Todoautos.com.pe, TodosMotos.com, 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 interested customers in Peru, generating revenue via advertising content on the sites.
Market position	In the month of September 2014 these websites had 4,905 listings and 1,443,020 sessions ⁴ . The business is ranked first among dedicated online auto classifieds websites and automotive content sites in Peru ² .

1. Based on total monthly sessions and listings for patiotuerca.com using proprietary analytics tools.

2. Based on total monthly visits (as described on similarweb.com) measured over the 6 month period up to 30 September 2014 for LatAm Autos' websites and comparing to other dedicated online auto classifieds competitors using similarweb.com. LatAm Autos believes this is the best available data, but it has not independently verified.

3. Assumes conversion at AUD:USD rate at 30 June 2014 of 1:0.9246.

4. Based on an aggregate listings and monthly sessions for todoautos.pe, todomotos.pe and busesycamiones.pe using proprietary analytics tools.

2. Company Overview

FY13 Revenue	PEN 0.74m (A\$0.3m ¹) in total revenues.
Acquisition details	On 31 October 2014, LatAm Autos Peru acquired 100% of the assets of Todoautos.com.pe from Netmedia S.A.C. The consideration paid by LatAm Autos Peru is PEN\$4.48m (A\$1.7m ²) in cash (excluding VAT taxes payable of 18%), with PEN\$3.08m (A\$1.2m ²) paid at completion and the balance of PEN\$1.4m (A\$0.5m ²) being payable in 2 tranches over a 12-month period from completion of the acquisition.
Summary of purchase agreement	Section 9.4.1.

2.4. Key strengths of LatAm Autos' businesses

Unless otherwise indicated, the information in this Section 2.4 is sourced from the Independent Market Report contained in Section 3.

2.4.1. Strategically positioned for growth with leading market positions

LatAm Autos believes that it is strategically positioned to capitalise on the structural shift towards online auto classifieds in the LatAm Markets, with a portfolio of leading brands and web properties in high growth markets with increasing internet penetration and motorisation rates. The Company's businesses enjoy leading positions in their respective markets.

Figure 7³

Website	Country	Total sessions during Sep 2014	Number of listings as at 30 Sep 2014
Autofoco.com	Argentina	1,138,511	38,062
Demotores.com.mx	Mexico	1,136,805	7,223
Todoautos.com.pe ⁴	Peru	1,443,020	4,905
Patituerca.com	Ecuador, Panama, Bolivia	1,381,408	12,973
Seminuevos.com & cars.mx	Mexico	361,644	14,766
TOTAL		5,461,388	77,929

2.4.2. Exposure to growth markets

LatAm Autos operates in high-growth developing countries in Latin America, including Mexico, Ecuador, Peru, Panama, and Bolivia. Over the period since 2000, the average GDP per capita in the LatAm Markets has grown at a CAGR of 6%.

Frost & Sullivan anticipates that economic growth in Latin America will continue to stimulate rising levels of vehicle ownership, as a greater proportion of the population enters the income bands at which vehicle ownership is feasible.

Given the presence of operations in Latin America, LatAm Autos is also subject to the risks associated with doing business in a region that is less politically, legally and economically stable than Australia. See Section 6.1.15 for more information.

1. Assumes conversion at AUD:PEN rate of 1:2.5575

2. Assumes conversion at AUD:PEN rate of 1:2.6348

3. Based on total monthly sessions for LatAm Autos websites listed in Figure 7 using proprietary analytics tools.

4. Includes todomotos.pe and busesycamiones.pe

2. Company Overview

2.4.3. Increasing motorisation rates in LatAm Markets

Passenger vehicle ownership has been growing significantly in the LatAm Markets with the total number of vehicles in use increasing at a CAGR of 7.5% between 2005 and 2012. It is estimated that sales of new and used vehicles in the combined LatAm Markets reached over 6m vehicles in 2013. This trend is expected to continue, with vehicle ownership rates in the LatAm Markets remaining significantly below that of developed countries, notwithstanding the substantial growth to date. For example, in 2012 there were only 160 vehicles per 1,000 people in Latin America compared to 791 vehicles per 1,000 people in the United States.

2.4.4. Attractive industry growth profile

Currently, online advertising in LatAm Autos' target markets represents a significantly smaller proportion of total advertising revenue than that of developed countries. Frost & Sullivan anticipates that online advertising expenditure in Latin America will enjoy strong growth, driven by increasing levels of internet penetration and increased use of the online channel by advertisers. Over recent years, online advertising in LatAm Autos' targeted countries has increased at between 26% and 45% annually.

Globally, the internet was estimated to account for 16.6% of total advertising expenditure in 2012, growing by 15.5% from 2011. In Australia, the internet now accounts for almost 30% of total advertising expenditure and in many developed countries the internet is now the largest single advertising channel. Meanwhile, in LatAm Autos' targeted countries, online advertising currently represents only between 1% and 9% of total advertising expenditure.

In Argentina, Mexico, Ecuador and Peru, total online advertising expenditure is estimated at \$970m. This represents per capita online advertising expenditure of \$0.5 to \$7.0, depending on the country, well below that of Australia at \$169. Frost & Sullivan estimates that the online classified advertising expenditure in these countries is approximately 15% of the total online advertising expenditure, being \$145m.

Globally, the automotive industry is one of the largest advertisers, accounting for an estimated 9.2% of total global advertising expenditures in 2013. In the combined LatAm Markets, automotive advertising expenditure was almost \$695m in 2012. While automotive advertising as a proportion of total advertising expenditure is generally lower than the global average in the LatAm Markets – typically ranging from 2% to 4% – this reflects the lower levels of vehicle ownership in these countries and presents a growth opportunity. As vehicle ownership grows in these countries, automotive advertising expenditure in aggregate and as a proportion of total advertising spend is also likely to grow.

2.4.5. Structural shift to online classifieds

As online advertising gained traction in developed markets, there was a disruptive shift in classified advertising from print media to online. In Australia, for example, online classified advertising as a share of total classified advertising increased from 18% in 2007 to 56% in 2013.

This structural shift is also expected to occur in LatAm Markets as online classified websites gain scale. LatAm Autos is well positioned to become the dominant player as the shift to online continues.

2.4.6. Regional business model

LatAm Autos' business model is oriented around its portfolio of single vertical focused online auto classifieds businesses. The portfolio is regionally oriented, with each business tailored to local markets in order to be culturally relevant and resonate with users.

However, as the Company streamlines and integrates its portfolio businesses following the Offer, there are organisational, marketing and back-end technology synergies that can be unlocked through centralised management across the corporate group.

2.4.7. Existing dealer and advertiser relationships

LatAm Autos has strong relationships with auto dealers across the LatAm Markets, and currently hosts a significant proportion of its listings from auto dealers. Additionally, LatAm Autos hosts a number of corporate advertisements from various corporations and advertisers, including General Motors, Ford, Chrysler, BMW, Volkswagen and Audi. As LatAm Autos' active users, listing base, and brand recognition grow, it expects there will be greater opportunities to work with advertisers on regional marketing campaigns.

2. Company Overview

2.4.8. Targeted monetisation strategy

LatAm Autos has developed a targeted strategic plan to monetise its position in each of the LatAm Markets. The monetisation pathways have been designed based on the current market position, competitive landscape and scale of the various portfolio businesses. The Company's strategy is anticipated to achieve the user and listing number growth, product offering, advertiser group mix (spanning vehicle dealers, private sellers, auto brands and other advertisers), and pricing structure required to build a dominant, profitable and sustainable platform for the long term.

2.4.9. Proven Board and executive management team

Within LatAm Autos' Board and executive management team there is significant experience in founding, developing and operating classifieds websites and online display advertising businesses in Latin America and other markets globally.

LatAm Autos' executive management team includes the founders of PatioTuerco.com (as described in this Prospectus), MultiTrabajos.com (a leading Latin American job search engine), and Vive1.com (a Latin American real estate portal). In addition, the executive management team has significant experience at industry-leading online advertising businesses, including Google and Twitter among other companies.

2.4.10. New product opportunities

LatAm Autos' management team foresees a number of opportunities to expand the product offering to include mobile applications, enhanced listings, and a niche platform for the listing of commercial vehicles and motorcycles. Certain LatAm Autos websites have already developed some of this functionality, which management intends to leverage to improve the Company's IT platforms in other countries.

2.4.11. Future acquisition opportunities

LatAm Autos aims to become the leading online auto classifieds advertising platform in every market in which it participates, positioning itself to take advantage of the industry's significant anticipated growth as internet penetration increases.

As a result, LatAm Autos is retaining part of the Offer proceeds for potential future acquisition opportunities. Management will seek to acquire complementary businesses, both in its existing markets and new markets in Latin America, as and when value-enhancing opportunities arise.



3.

INDEPENDENT MARKET REPORT

3. INDEPENDENT MARKET REPORT



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The Directors
LatAm Autos Ltd
100 Albert Road
South Melbourne
Victoria, 3205

October 28, 2014

Dear Directors,

Independent Market Report on the Automotive and Online Advertising Markets in Latin America

Introduction

Frost & Sullivan understands that LatAm Autos Ltd (**LatAm Autos**) is a holding company that plans to acquire businesses in Latin America that operate online classified websites in the automotive sector. These businesses will primarily derive revenue from paid listings by car dealers and private individuals selling vehicles, as well as from general display advertising. LatAm Autos is focusing on six Latin American countries: Argentina, Mexico, Ecuador, Peru, Panama and Bolivia.

Frost & Sullivan understands that LatAm Autos is planning to raise funds via an Initial Public Offering (**IPO**) on the Australian Securities Exchange (**ASX**), and LatAm Autos has commissioned an Independent Market Report (**IMR**) from Frost & Sullivan for inclusion in the prospectus relating to the IPO. Frost & Sullivan is an independent market research and consulting firm operating in over 30 countries globally. Founded in New York in 1961, Frost & Sullivan now employs over 1,500 staff. We have undertaken a number of market studies in the e-Commerce and online advertising sectors on behalf of market participants and financial institutions, as well as producing a number of multi-client reports on the e-Commerce and online advertising industries.

In undertaking this assessment, Frost & Sullivan has relied on information derived from recognised public sources. The research was undertaken in the months of July to October 2014. All effort has been made by Frost & Sullivan to ensure that information in this report is accurate and appropriate at the time of writing. Conclusions, and

Auckland	Bangalore	Bangkok	Beijing	Bogota	Buenos Aires	Cape Town	Chennai	Delhi	Dubai
Frankfurt	Kolkatta	Kuala Lumpur	London	Manhattan	Melbourne	Mexico City	Mumbai	New York	Oxford
Palo Alto	Paris	San Antonio	Sao Paulo	Seoul	Shanghai	Singapore	Sydney	Tokyo	Toronto

3. Independent Market Report

assumptions attached to those conclusions, are based on Frost & Sullivan's investigations and analyses of the facts as they are known as at October 2014, and Frost & Sullivan is of the opinion that the conclusions and underlying assumptions are reasonable.

Unless otherwise stated, all references to \$ in this report are to Australian dollars.

The following exchange rates have been used in this report:

Table 1: Exchange Rates

	Argentina	Bolivia	Ecuador	Mexico	Panama	Peru	UK	USA
Currency	ARS	BOB	US\$*	MXN	PAB**	PEN	£	US\$
A\$1 =	7.40	6.04	0.87	11.73	0.87	2.53	0.55	0.87

*Ecuador has used the US dollar since 2000

**The Panama Balboa is tied to the US dollar at 1:1. The US dollar is also legal tender in Panama

Source: Yahoo! Finance, accessed October 7, 2014

Overview

The business opportunity for LatAm Autos will be driven by a number of trends that are likely to significantly stimulate expenditure on online advertising, including automotive advertising, in Latin America. These trends include:

- Strong growth in online advertising expenditure resulting from a switch in expenditure from other advertising channels, such as newspapers, to online. This trend has been apparent for several years in developed markets such as Australia, where online now accounts for almost 30% of total advertising expenditure. Factors such as increasing internet access, broadband roll-outs and increasing take-up of the mobile internet are likely to stimulate similar growth in Latin America;
- Rising levels of car ownership in Latin America will be stimulated by growing wealth (reflected in increasing per capita incomes) and the strong growth in the Latin American middle-class, for whom car ownership is feasible. This growth in car ownership will stimulate buying and selling of vehicles, which will in turn stimulate automotive advertising expenditure; and
- Growing focus on Latin America by major vehicle manufacturers as the region becomes more important as a market for new vehicles. This will stimulate advertising expenditure in Latin America, both by vehicle manufacturers and by suppliers of related products and services.

The six countries included in this report have a total population of approximately 222 million and a combined GDP of \$2,433 billion, as indicated below in Table 2. The combined population across these eight countries is therefore approximately 9.5 times larger than Australia, and combined GDP is 1.41 times larger.

3. Independent Market Report

Frost & Sullivan Australia Pty Ltd | 2014

Table 2: Population and GDP by Country, 2013

	Australia	Argentina	Bolivia	Ecuador	Mexico	Panama	Peru
Population (millions)	23.5	41.1	10.5	15.5	120.8	3.8	30.0
GDP (\$) current, billions)	1,730	561	34	108	1,447	46	237

Source: International Monetary Fund, World Economic Outlook Database, April 2014

Definitions

Broadband: broadband is defined as internet access with download speed above a specified bit rate. A broadband network generally uses several channels, as opposed to a single channel in a base band network. There is no universally agreed definition of broadband, however the Organisation of Economic Cooperation and Development (OECD) defines broadband as internet connections with download speed of more than 256 Kbps.

Classified Advertising: classified advertising is a form of advertising in which items are advertised for sale, typically grouped (or classified) by category. The main types of items advertised in this format are real estate, automotive (cars and motorcycles) and jobs. Classified advertising has traditionally been provided in newspapers or other printed publications, and has provided a significant revenue source for newspaper publishers. However, over recent years an increasing amount of classified advertising has been undertaken online.

Online Advertising: online advertising (also known as internet advertising) is a form of advertising in which promotional messages are delivered to consumers over the internet, and can be viewed on any device on which the internet can be accessed, such as a laptop, PC, tablet or smartphone. Over recent years, an increasing amount of total advertising expenditure has migrated to the online channel.

Smartphones are a variant of mobile phones that offer advanced functionality beyond making phone calls and sending text messages. Smartphones have the ability to access the internet with a screen size that provides an acceptable user experience. Smartphones can run third-party applications, which provide additional functionality to the user. Most smartphones use an operating system developed either by Google (the Android platform) or by Apple (iOS platform). The usability of smartphones is heavily dependent on the reliability and access speed of the mobile network that they are using, although they can also be used when connected to a local Wi-Fi network.

Online Advertising Markets

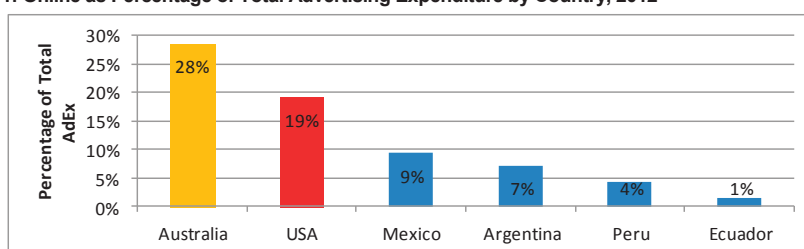
Growth of Online Advertising

Over recent years, the internet has accounted for an increasing proportion of advertising expenditure, due to the advantages that the medium offers over other advertising channels, including greater measurability and enhanced

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cost effectiveness for advertisers. Globally, the internet was estimated to account for 16.6% of total advertising expenditure in 2012, with online advertising spending increasing by 15.5% in 2012. In some countries, such as the UK, the Netherlands and Sweden, the internet is now the largest single advertising channel.¹ The degree to which the online channel is used for advertising varies significantly by country, as a result of local factors such as internet penetration and the degree of online access by consumers. In some developed markets, such as Australia, the online channel now accounts for almost 30% of total advertising expenditure. In the Latin American countries included in this report² it currently represents between 1% and 9% of total advertising expenditure, largely a result of the less developed internet infrastructure and lower levels of internet access in these countries (see Figure 1).

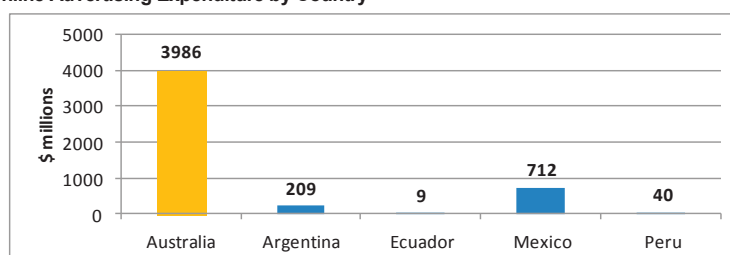
Figure 1: Online as Percentage of Total Advertising Expenditure by Country, 2012



Source: Frost & Sullivan estimates; IAB Australia. Data for Bolivia and Panama is not available

Whilst penetration of online into the overall advertising expenditure mix is lower in Latin America than in most developed markets, it is growing fast from a smaller base. Total online advertising expenditure in the Latin American countries included in this report is estimated at \$970 million (excluding Bolivia and Panama); however this is still only about one-quarter of expenditure on online advertising in Australia (see Figure 2).

Figure 2: Online Advertising Expenditure by Country



Source: Interactive Advertising Bureau in each country.³ Argentina data is for 2012, other countries 2013. Data for Bolivia and Panama not available

¹ Source: Aegis, Global Advertising Expenditure Report, 2013

² Unless otherwise mentioned, the countries included are Argentina, Bolivia, Ecuador, Mexico, Panama and Peru

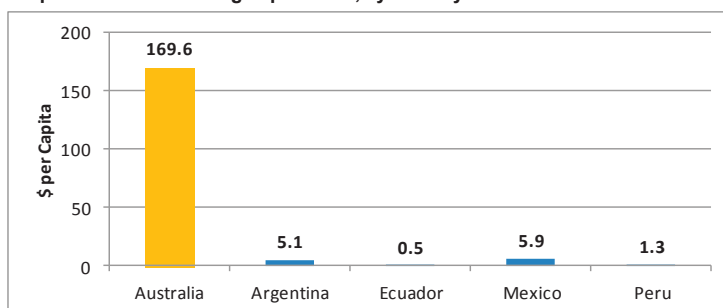
³ The Interactive Advertising Bureau (IAB) is a trade body representing the online advertising industry, and has national organisations in 40 countries. In most countries where it operates the IAB undertakes an annual survey of the total expenditure on online advertising based on data provided by its members, with estimates for large publishers that are not members. However, since the IAB does not collect or estimate data for all online publishers, its market estimates will normally understate the total expenditure on online advertising

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Per capita online advertising expenditure in Latin America is therefore significantly lower than in Australia. Whilst per capita online advertising expenditure in Australia is approximately \$169, in the Latin American countries it varies from \$0.5 to \$5.9 (see Figure 3).

Figure 3: Per Capita Online Advertising Expenditure, by Country



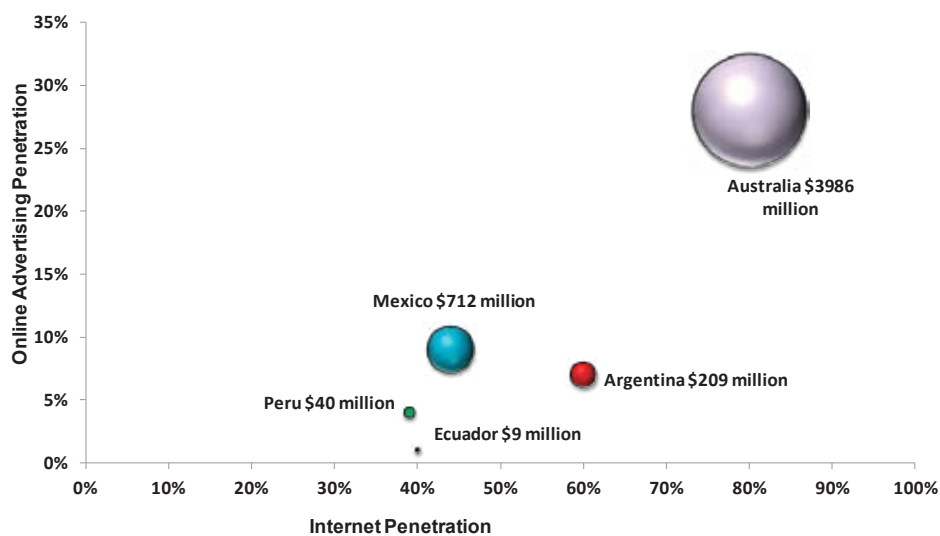
Source: Frost & Sullivan, based on Interactive Advertising Bureau data. Argentina data is for 2012, other countries 2013. Data for Bolivia and Panama not available

There is a relationship between internet penetration and online advertising expenditure. Figure 4 below shows the relative expenditure on online advertising in countries in Latin America, together with the internet penetration. As internet penetration increases, the proportion of advertising expenditure devoted to the online channel will also increase. The size of each bubble indicates total online advertising expenditure by country. Australia is also included for comparison.

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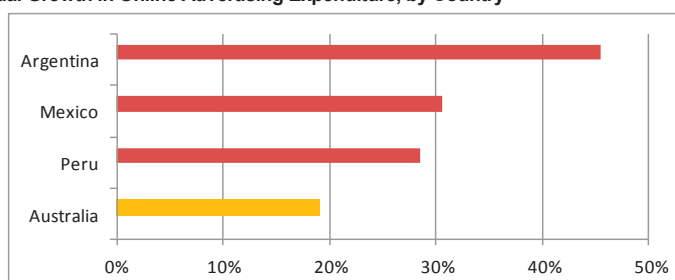
Figure 4: Online Advertising Expenditure and Internet Penetration by Country



Source: Frost & Sullivan, based on Interactive Advertising Bureau data. Argentina data is for 2012, other countries 2013. Data for Bolivia and Panama not available

Frost & Sullivan anticipates that online advertising expenditure in Latin America will grow strongly, driven by increasing levels of internet penetration and increased use of the online channel by advertisers. Over recent years, online advertising expenditure in selected Latin American countries has increased at between 26% and 45% annually. This is significantly faster growth than the much larger, but more mature, Australian market which grew at 19% in 2013 (see Figure 5).

Figure 5: Annual Growth in Online Advertising Expenditure, by Country



Source: Interactive Advertising Bureau in each country. Argentina data is for 2012, other countries 2013. Data for Bolivia, Ecuador and Panama not available

Types of Online Advertising

Online advertising includes a number of different advertising formats:

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- Online Search Advertising (sometimes known as paid search): a form of advertising where advertisers pay an advertising fee, usually based on click-throughs or ad views, to have their web-site shown in top placements on search engine result pages on search engines such as Google;
- Online Directory Advertising: a form of advertising whereby advertisers pay for listings in online directories (such as Yellow Pages);
- Online General Display Advertising: a form of advertising whereby advertisers pay web-site publishers to advertise on their web-sites (such as banner advertising, pop-ups, etc);
- Online Video Advertising: a form of advertising whereby advertisers pay to have video advertisements included in videos that are streamed or downloaded over the internet; and
- Online Classifieds Advertising: a form of advertising whereby advertisers pay web-site publishers to list items for sale (either on a flat fee or pay-per-lead basis), with real estate, cars and jobs being the categories most commonly advertised.

Additionally, online advertising can be categorised based on the access device on which the advert is designed to be viewed. While most online advertising is designed to be viewed on large-screen devices such as PCs or laptops, an increasing amount of advertising is being formatted for viewing on mobile devices, particularly smartphones. This is known as mobile advertising, and accounts for a rapidly growing proportion of online advertising.

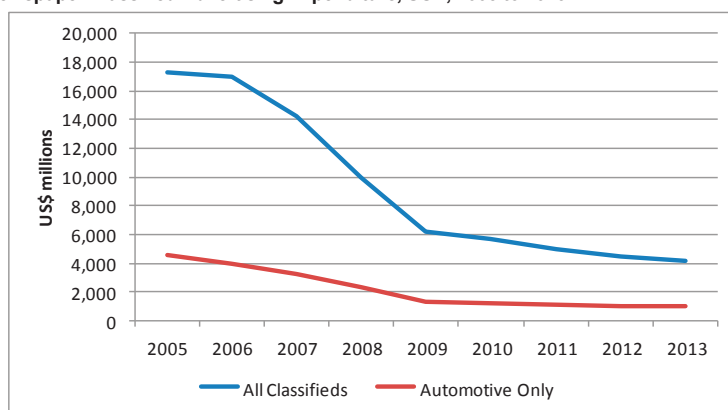
Online Classified Advertising

Over recent years, the channel most impacted by the growth of online advertising has been newspapers, which have generally suffered a significant downturn in advertising revenues as a result of the emergence of the online channel. Whilst this has applied to display advertising, the most dramatic impact has been on newspaper classified advertising. This is illustrated by the decline of classified advertising revenue for newspapers in the USA. Since 2005, overall classified advertising expenditure has declined by 76%, and automotive classified advertising by 78% (see Figure 6).

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Figure 6: Newspaper Classified Advertising Expenditure, USA, 2005 to 2013



Source: Newspaper Association of America; Frost & Sullivan estimates for 2012 and 2013

The internet has proved a highly viable alternative to newspapers for classified advertisers, and an increasing proportion of classified advertising expenditure is going to the online channel. Online offers a number of advantages, both for advertisers and for buyers. These are summarised below (see Table 3).

Table 3: Advantages of the Online Channel for Classified Advertising

Advantages for Advertisers	Advantages for Buyers
More cost-effective	Enhanced searching capability
Can target buyers on the move	Can be accessed anytime
Gives access to a wider range of buyers	Proactive notifications available
Listings can be edited or changed in real-time	More details can be seen (e.g. photographs)
More measurable	Wider range of listings

Source: Frost & Sullivan

These factors have led to the internet taking an increased proportion of total classified advertising expenditure. This is illustrated below for Australia, the USA and UK. In Australia and the UK, expenditure on online classified advertising has now exceeded expenditure on newspaper classified advertising (see Table 4).

Table 4: Online Classified Advertising Expenditure as a Percentage of Total Classified Advertising Expenditure, 2007 – 2013

	2007	2008	2009	2010	2011	2012	2013
USA	19%	25%	27%	32%	33%	35%	38%
UK	24%	29%	34%	37%	38%	45%	50%
Australia	18%	23%	31%	35%	39%	48%	56%

Sources: Newspaper Association of America advertising statistics; IAB USA Online Advertising Expenditure Reports 2007-2013; Bain & Co and Enders Analysis, Creative UK, 2013; Frost & Sullivan Australian Online Classifieds Market Report, 2014

In many markets, specialist online classified businesses have emerged over recent years to take dominant market positions. These businesses generally specialise in specific sectors of online classified advertising, such as

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employment, real estate and cars. Examples of these specialist businesses are Monster Inc⁴, Rightmove⁵ and Carsales⁶. In many countries, the online classified market in each category is dominated by a single company which was often the first major entrant into the respective online category in the country. These companies are often able to achieve market dominance and high levels of profitability as a result of the so-called “virtuous circle” in online classified advertising, by which initial entrants are able to establish the highest levels of inventory, which in turn attracts the highest number of buyers (see Figure 7).

Figure 7: The “Virtuous Circle” in Online Classified Advertising



Source: Frost & Sullivan

This market dominance and high levels of profitability is illustrated by the leaders in each main category of online classified advertising in Australia, as indicated in Table 5.

Table 5: Australian Online Classified Publishers, Market Share and Profitability, 2013

Company	Category	Market Share	Profitability (EBITDA Margin)
REA	Real estate	74%	49%
Seek	Employment	77%	60%
Carsales	Automotive	73%	56%

Sources: Frost & Sullivan, Australian Online Classifieds Market Report, 2014, company annual reports for FY2013

Market share is defined as share of classified advertising expenditure in the respective category for CY2013

Seek EBITDA is for Seek Domestic

Online Classified Advertising Expenditure

Classified advertising is generally one of the smaller categories of overall online advertising expenditure, ranging from 6% to 18% of overall online advertising expenditure in markets such as the USA, UK and Australia (see Table 6).

⁴ Monster Worldwide Inc. was established in 1994 and is the world’s largest online employment classifieds business, operating a number of job web-sites in approximately 50 countries. It achieved revenue of US\$808 million (\$929 million) in 2013

⁵ Rightmove PLC was established in 2000 and listed on the London Stock Exchange in 2006. It is the largest real estate classified site in the UK, with revenue of £139.9 million (\$254.4 million) in 2013

⁶ Carsales was established in 1996 and listed on the ASX in 2009. It is the largest online automotive classified business in Australia with revenue of \$215.1 million in 2013

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Table 6: Online Classified Advertising Expenditure by Country, 2013

	USA	UK	Australia
Online Classified Advertising Expenditure (\$ millions)	2,988	1,612	743
Online Classified as Percentage of Online Advertising	6%	14%	18%

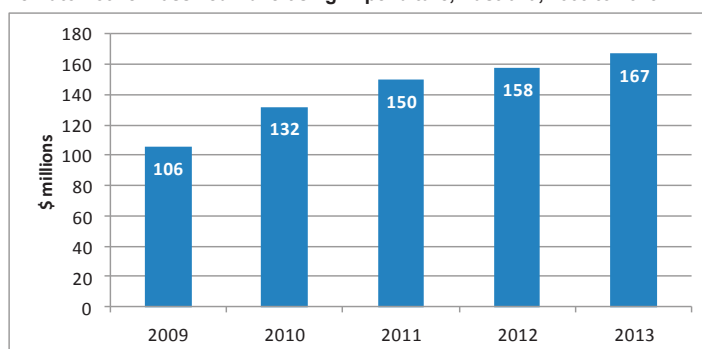
Source: Interactive Advertising Bureau Online Advertising Expenditure reports, 2013

Information on expenditure on online classified advertising is not available for most Latin American countries, as expenditure data on classified advertising is generally combined with other categories such as search. The only country where separate data on online classified advertising is reported is Ecuador, where it accounts for 15% of total online advertising expenditure.⁷ Assuming a similar proportion in Argentina, Mexico and Peru, this would give total current expenditure on online classified advertising of approximately \$145 million in Argentina, Ecuador, Mexico and Peru (based on total online advertising expenditure of \$970 million in these countries).⁸

Online Automotive Classified Advertising

Automotive is one of the three major categories of both online and print classified advertising. The automotive sector has seen a strong migration of classified advertising away from print, as with other classified categories. In Australia, for example, the online channel is estimated to account for over 50% of all automotive classified advertising. Over recent years, expenditure on online automotive classified advertising in Australia has increased at a CAGR of 12.03 % to reach \$167 million in 2013 (see Figure 8).

Figure 8: Online Automotive Classified Advertising Expenditure, Australia, 2009 to 2013



Source: Frost & Sullivan, Australian Online Classifieds Report, 2014. Expenditure excludes display and other non-classified advertising on online classified sites

The online channel is used extensively for sales of second-hand (used) vehicles by both private individuals and car dealers, although some new cars are also advertised using this channel. In Australia, the main operator of online classified websites for the automotive industry is Carsales, operator of the www.carsales.com.au website, as well

⁷ Source: IAB Ecuador, Informe De Inversion Publicitaria en Internet, 2013

⁸ Source: Frost & Sullivan estimate based on IAB Ecuador data

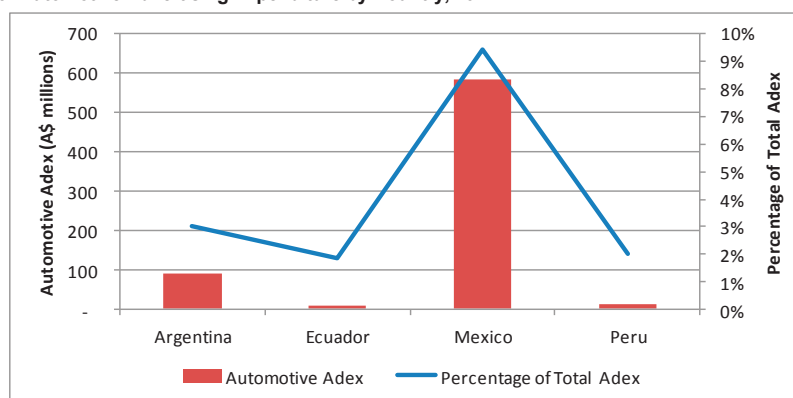
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as a number of other websites for boats, motorcycles, tyres and other categories. In 2013, Carsales achieved \$187.2 million of advertising revenue, an increase of almost 17% on 2012.⁹ Advertising revenue is derived from listing fees from private sellers, pay-per-lead based revenue from car dealers and display advertising carried on its websites. Over recent years, the value of display advertising carried on the Carsales sites has increased significantly to reach 27% of advertising revenue in H1 2014.¹⁰ Automotive classified sites are attractive to advertisers, particularly for automotive-related products and services, because of the large audience with a current interest in the automotive sector.

Automotive Advertising Markets

Globally, the automotive industry is one of the largest advertisers, accounting for an estimated 9.2% of total global advertising expenditure in 2013.¹¹ 16 automotive companies are amongst the world's top 100 advertisers.¹² In Latin America, automotive advertising as a proportion of total advertising expenditure is generally lower, reflecting the lower levels of vehicle ownership in these countries. Automotive advertising as a percentage of total advertising expenditure typically ranges from 2% to 4% in the countries in the scope of this report, with only Mexico approaching 10%. Total automotive advertising expenditure in Argentina, Ecuador, Mexico and Peru is estimated at \$695 million in 2012 (see Figure 9). This is significantly lower than the total automotive advertising expenditure in Australia, which Frost & Sullivan estimates at over \$1 billion. However, as automotive markets grow in these countries the automotive advertising expenditure is also likely to grow.

Figure 9: Automotive Advertising Expenditure by Country, 2012



Sources: IBOPE, Cámara Argentina de Agencias de Medios (CAAM). Data for Bolivia and Panama not available

Automotive advertisers use a variety of channels, but as with other categories an increasing amount of advertising expenditure is being placed online. In 2013, the automotive industry accounted for 12% of US online advertising

⁹ Source: Carsales investor presentation, October 2013

¹⁰ Source: Carsales, Half Year Results Presentation to 31 December, 2013

¹¹ Source: Nielsen, Global AdView Pulse, Q2 2013

¹² Source: http://www.adbrands.net/top_global_advertisers.htm

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expenditure (spending a total of US\$5.13 billion online).¹³ In Latin America, the automotive industry typically accounts for between 7% and 12% of total online advertising expenditure. The expenditure in selected countries, and the share of total online advertising expenditure, is given below (see Table 7).

Table 7: Online Automotive Advertising Expenditure and Share of Total Online Advertising Expenditure

	Ecuador	Mexico	Peru
Online Automotive Advertising Expenditure (\$ millions)	0.6	85	3.6
Share of Total Online Advertising Expenditure	7%	12%	9%

Sources: Internet Advertising Bureau, Online Advertising Expenditure Reports. Data is for latest available year. Data for Argentina, Bolivia and Panama not available

There is likely to be significant scope for further migration of automotive advertising expenditure to the online channel, along with overall growth in expenditure as car ownership increases in Latin America. In 2013, automotive manufacturers were among the top five fastest growing online categories in Latin America in terms of unique visitors, with a 65% increase over 2012.¹⁴

Automotive Markets

Passenger Car Ownership

The market for online automotive advertising in Latin America will be significantly impacted by the growth in vehicle ownership, and by growth in vehicle sales, both of new and used vehicles. Whilst levels of car ownership in Latin America are behind the levels in developed countries, passenger car populations have been increasing significantly. Frost & Sullivan anticipates that economic growth in Latin America will continue to stimulate rising levels of car ownership, as a greater proportion of the population enters the income bands at which car ownership is feasible. Over the period since 2000, the average GDP per capita in the six countries included in this report has increased at a CAGR of 6.0% to reach \$9,838 in current dollars in 2013 (see Figure 10).

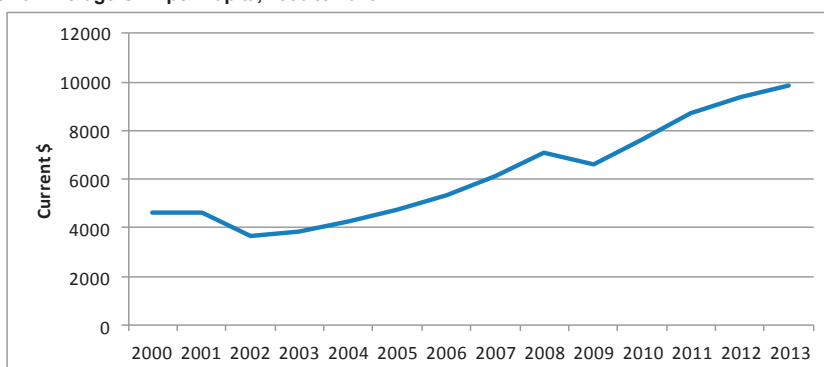
¹³ Source: IAB USA, Internet Advertising Revenue Report, 2013

¹⁴ Source: Comscore, Futuro Digital, Latinoamerica 2013

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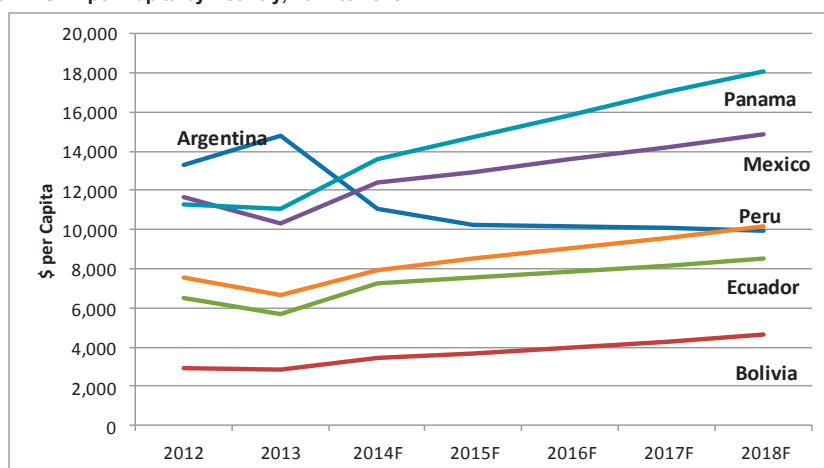
Figure 10: Average GDP per Capita, 2000 to 2013



Source: World Bank Development Indicators, accessed October 2014

Over the next five years, GDP per capita is forecast to continue to increase at an average CAGR of 4% across all six countries, with GDP per capita by 2018 ranging from \$4,650 in Bolivia to \$18,116 in Panama (see Figure 11).

Figure 11: GDP per Capita by Country, 2012 to 2018F



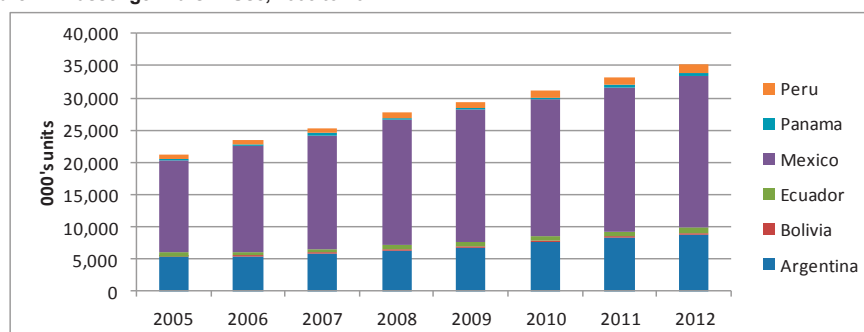
Source: International Monetary Fund, World Economic Outlook Database, accessed October 2014

These rising income levels are causing rapid growth in middle-class populations for whom car ownership is feasible. Between 2003 and 2009, the overall Latin American middle class grew at CAGR of 6.7%, from slightly above 100 million people to more than 150 million, representing one-third of the total population. By 2030, the middle-class is

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forecast to represent 42% of the population.¹⁵ Rising income levels in Latin America are likely to stimulate car ownership. Latin American countries are still well behind developed markets in their level of passenger vehicle ownership. In 2012, in the USA, the number of passenger vehicles per 1,000 people was 791, whilst across all Latin American countries it averages 160.¹⁶ In the six countries included in this report, the total number of passenger cars in use has increased at a CAGR of 7.5% since 2005, with an estimated 35.1 million passenger cars in use by 2012 (see Figure 12). However, the potential for further increase is indicated by the fact that this is only 2.7 times the number of passenger cars in use in Australia (13 million).

Figure 12: Passenger Cars in Use, 2005 to 2012



Source: International Organization of Motor Vehicle Manufacturers (OICA) statistics, accessed July 2014

New Vehicle Sales

Sales of new passenger cars in Latin America have grown at a CAGR of 5.4% since 2005, with aggregate sales in the six countries included in this report reaching 1.63 million units in 2013 (see Figure 13). This is three times the number of sales in Australia (539,000).¹⁷

¹⁵ Source: World Bank, Economic Mobility and the Rise of the Latin American Middle Class, 2013. Middle-class is defined as an income level of US\$10 per day, at purchasing power parity (PPP) exchange rates, equivalent to an annual income of US\$14,600 for a family of four

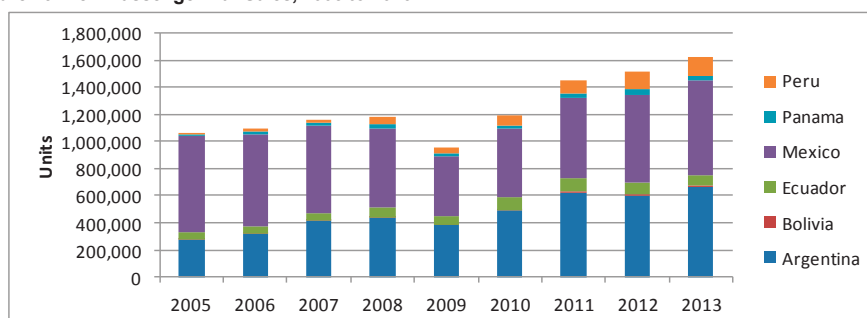
¹⁶ Source: <http://www.oica.net/category/vehicles-in-use/>

¹⁷ Source: <http://www.oica.net/category/sales-statistics/>

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Figure 13: New Passenger Car Sales, 2005 to 2013



Source: International Organization of Motor Vehicle Manufacturers (OICA) statistics, accessed October 2014

Used Car Sales

Advertising for used cars is typically the main market for online automotive classified web-sites. The number of used car transactions is therefore an important parameter for online automotive classified businesses. In Latin America, statistics on used car transactions are generally not available, however an estimate of volumes can be made based on comparisons with countries where data is available. In the UK, for example, the number of used car sales is approximately three times the number of new car sales, and around one-fifth of the total number of cars in use (see Table 8).

Table 8: Used Passenger Car Sales, UK, 2013

Country	Cars in use (millions)	New Car Sales (millions)	Used Car Sales (millions)
UK	31.5	2.04	6.7

Sources: Society of Motor Manufacturers and Traders; Motor Industry Facts, 2013

Assuming a similar relationship of used car sales to new car sales in Latin America, the total number of used car transactions is therefore likely to exceed 5 million per year in the countries included in this report.

Online Advertising Market Development

The online advertising market in Latin America is likely to be stimulated by a number of factors which are described in more detail below.

Growth in Internet Access and Usage

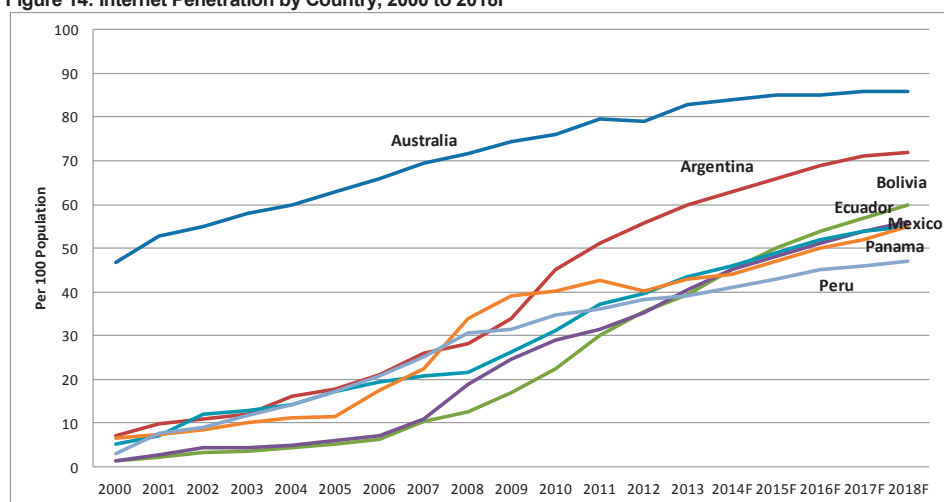
Online advertising is dependent on the use of the internet, as this determines the reach that advertisers can obtain through usage of this channel. Over recent years, the proportion of the population that accesses the internet in Latin America has grown significantly. Latin America is the fastest growing online market in the world, with 12% annual increase in online users from 2012 to 2013, compared to 7% in Asia Pacific and 1% in North America.¹⁸ The percentage of individuals that use the internet has increased from an average of 5.4% in 2000 to 44.2% in 2013, in

¹⁸ Source: Comscore, Futuro Digital, Latinoamerica 2013

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the six countries included in this report. However, this still remains well below the current Australian percentage of 83%. By 2018, Frost & Sullivan anticipates that average internet penetration across the six Latin American countries will exceed 60%, and in some countries such as Argentina it will exceed 70%. The significant increase in internet access in each country over the period 2000 to 2018 is indicated below in Figure 14.

Figure 14: Internet Penetration by Country, 2000 to 2018F



Source: World Bank Development Indicators, accessed October 2014; Frost & Sullivan forecasts

Growth in Broadband

Governments across Latin America have sought to stimulate the use of broadband, given the economic benefits that this can create. Many countries have developed specific plans, often involving public sector investment, to stimulate the development of broadband infrastructure (see Table 9).

Table 9: National Broadband Plans or Policies

Country	Plan	Year of Adoption
Argentina	Plan Nacional de Telecomunicaciones - Argentina Conectada	2010
Bolivia	N/A	
Ecuador	Estrategia Ecuador Digital 2.0 and Broadband Plan	2011
Mexico	Digital Agenda	2011
Panama	National ICT Strategy 2008-2018	2008
Peru	Plan Nacional para el Desarrollo de la Banda Ancha en el Perú	2010

Source: International Telecommunications Union (ITU), *Universalising Broadband*, 2013

Stimulated by these policies and the roll-out of broadband networks, access to fixed broadband has increased significantly in Latin American countries. Since 2010, the total number of fixed broadband subscriptions across the countries included in this report has increased by 35% to reach a total of 22.3 million by 2013.¹⁹ However,

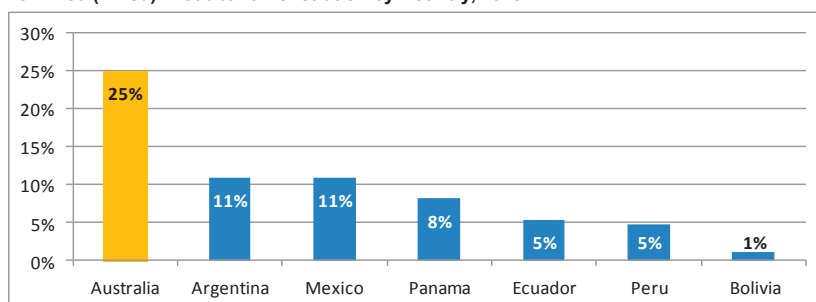
¹⁹ Source: International Telecommunications Union, Statistics (accessed July 2014)

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broadband penetration in Latin America is still relatively low by comparison with developed markets such as Australia (see Figure 15), and further growth is likely.

Figure 15: Fixed (Wired) Broadband Penetration by Country, 2013



Source: International Telecommunications Union (ITU), *Universalising Broadband*, 2013. Penetration is the number of subscriptions as a percentage of the population

Growth in Mobile Internet Access

Online advertising is also being stimulated by the rapid adoption of mobile devices, particularly smartphones and tablets, which allow users to access the internet whilst on the move. Whilst penetration of smartphones and 3G access in Latin America is still significantly below that of developed countries, it is increasing quickly. The GSM Association (**GSMA**) classifies all countries into one of four segments, based on their technological maturity.²⁰ A number of countries in Latin America are defined as falling into the “Fast Grower” segment, where 3G penetration is above 30% and smartphone penetration above 20%. These countries include Argentina and Mexico. A number of other countries currently fall into the “developer” segment, but will move into the “Fast Grower” segment over the next couple of years as 3G and smartphone penetration rates increase (for example, Peru by the end of 2015 and Ecuador by the end of 2014).²¹

Access to the internet through mobile devices is often important for online classified advertisers, as customers are often looking for products whilst on the move. Major online classified publishers are generally investing significantly in creating mobile sites (m-sites) and mobile applications (apps) to allow their content to be easily accessed by consumers using mobile devices. By 2014, mobile devices, particularly smartphones, accounted for 15% of online page views in Latin America, up from 7% in 2013.²²

Online Advertising Forecasts

Frost & Sullivan anticipates that the factors described above will lead to a significant increase in online advertising expenditure in the Latin American countries included in this report. Over the five years to 2018, Frost & Sullivan

²⁰ The GSMA is an association of mobile operators and related companies devoted to supporting the standardising, deployment and promotion of the GSM mobile telephone system

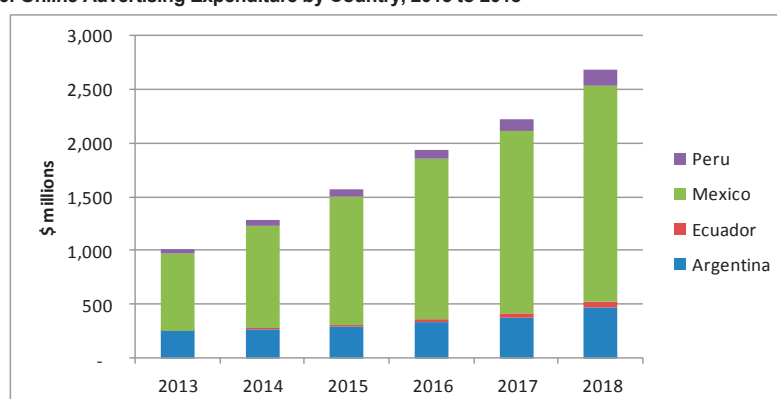
²¹ Source: GSMA, *Mobile Economy Latin America*, 2013

²² Source: Comscore, 2014 LATAM Digital Future in Focus

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forecasts that online advertising expenditure in Argentina, Ecuador, Mexico and Peru will increase at a CAGR of 22% to reach \$2.69 billion in 2018 (see Figure 16).

Figure 16: Online Advertising Expenditure by Country, 2013 to 2018



Source: Frost & Sullivan estimates. As historical data is not available for Bolivia and Panama, forecasts have not been made for these countries

Disclosure

This is an independent report prepared by Frost & Sullivan. Save for the preparation of this report and services rendered in connection with this report for which normal professional fees will be received, Frost & Sullivan has no interest in LatAm Autos and no interest in the outcome of the IPO. Payment of these fees to Frost & Sullivan is not contingent on the outcome of the IPO. Frost & Sullivan has not and will not receive any other benefits (including any commissions) and there are no factors which may reasonably be assumed to have influenced the contents of this report nor which may be assumed to have provided bias or influence. Frost & Sullivan does not hold a dealer's license or Financial Services License. This report does not constitute advice in respect of the IPO.

Conclusion

Online advertising expenditure is growing rapidly, driven by higher levels of internet access and the benefits offered by the online channel when compared to more traditional media such as newspaper advertising. In some developed markets the online channel now accounts for over 30% of total advertising expenditure, and in markets such as the UK and the Netherlands, the internet is now the largest advertising medium measured in terms of advertising expenditure. Although online still accounts for a much smaller proportion of advertising expenditure in less developed markets such as in Latin America, it is growing rapidly from the current small base. Typically online still accounts for less than 10% of total advertising expenditure in Latin America, but this is anticipated to grow as internet access and usage increases, and as technologies such as broadband and mobile internet become more pervasive. Frost & Sullivan anticipates that this trend will continue, and that an increasing amount of advertising expenditure will be devoted to the internet. Frost & Sullivan forecasts that expenditure on online advertising in the

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Latin American countries included in this report (excluding Bolivia and Panama) will increase to \$2.69 billion in 2018, at a CAGR of 22%.

Online classified advertising is one of the main types of online advertising. Over recent years, the internet has become more significant as a channel for classified advertising, as expenditure has steadily migrated from newspapers. This has led to a significant reduction in newspaper classified advertising, and the emergence and growth of specialist online classified publishers, usually operating in distinct categories such as automotive, real estate and jobs. In the Latin American countries included in the scope of this report, classified advertising is estimated to account for 15% of total online advertising expenditure.

Development of online automotive classified advertising in Latin America will be stimulated by increasing levels of car ownership, which will drive an increase in the buying and selling of used vehicles. In addition, increasing sales of new cars in each country will stimulate overall automotive advertising, especially by vehicle manufacturers. Overall the automotive industry is one of the largest advertisers globally, accounting for 9.2% of global advertising expenditure. In Latin America, there is significant scope for automotive advertising to both grow and to migrate to the online channel, and Frost & Sullivan expects that automotive advertising expenditure will increase as a percentage of total advertising expenditure as vehicle markets grow.

The opportunity for LatAm Autos will therefore be stimulated both by the overall growth in online advertising, including online classified advertising in Latin America, by the overall growth in automotive advertising, and by the increasing proportion of automotive advertising that is placed on the internet.

Yours Sincerely



Mark Dougan
Managing Director, Australia & New Zealand



4.

BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

4.1. Board of Directors



4.1.1. Timothy Handley

(Executive Chairman)

Timothy is a co-founder and Director of LatAm Autos. Timothy is also a Director of Chestnut Partners Assessoria Financeira S.A., a South American focussed boutique corporate finance firm based in São Paulo, Brazil, which has advised clients such as Westfield and Pacific Hydro in Brazil. Timothy has 11 years' mergers & acquisitions, equity and debt capital markets experience (including 5 years in Latin America).

Previously Timothy worked at Gresham Partners and UBS. His transaction experience includes takeover defences of Colorado Group, Queensland Cotton and Redflex Holdings as well as the attempted merger of BHP/Rio Tinto and acquisition of Pacific Hydro.

Timothy 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.



4.1.2. Simon Clausen

(Non Executive Director)

Simon has more than 17 years' experience in high growth technology businesses in both Australia and the United States. 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 dollars 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.

Simon was a founding investor of freelancer.com, the world's largest online marketplace for outsourcing, freelancing and crowdsourcing services.



4.1.3. Michael Fitzpatrick

(Non Executive Director)

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.

Michael's other external appointments (current and recent) include non-executive Director of Rio Tinto Limited since 2006, non-executive director of Carnegie Wave Energy Limited since 2012, chairman of Infrastructure Capital Group Limited since 2009, chairman of the Treasury Group Limited since 2005, commissioner and chairman of the Australian Football League since 2003

and 2007 respectively, and director of the Walter & Eliza Hall Institute of Medical Research since 2001.

Michael holds a 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.

4. Board, Management and Corporate Governance



4.1.4. Colin Galbraith

(Non Executive Director)

Colin is a Special Advisor to Gresham Partners Limited. He joined Gresham in 2006 after 28 years as a partner of Allens Arthur Robinson. During his time as a partner in that firm Colin advised many of Australia's leading corporations in a series of landmark mergers, acquisitions and commercial transactions.

Colin has been the Chairman of BHP Billiton Community Trust since 1984, a Director of Arrium Limited since 2000, Colonial Foundation since 2012, Chairman of CARE Australia (a Director since 2004 and Chairman since 2014), and a Trustee of the Royal Melbourne Hospital Neuroscience Foundation since 2004. He has previously been a Director of Australian Institute of Company Directors and listed companies Azon Limited, Colonial Limited, GasNet Australia (Group) and

Commonwealth Bank of Australia Limited.

Colin holds a Bachelor of Laws (Hons) and a Master of Laws from the University of Melbourne.

4.2. Senior management profiles



4.2.1. Jorge Mejía Ribadeneira

(Chief Executive Officer)

Jorge is an experienced Latin America digital media executive with 15 years' experience. He is the founder and ex-CEO of Grupo Centrico, the Ecuadorian-based holding company for Vive1.com, Evaluar.com, and Seguros123.com, and previously PatioTuerca.com

Jorge began his career in the technology sector after founding and managing multitrabajos.com, Ecuador's foremost job search engine. After multitrabajos.com was acquired by Bumeran.com/Navent (of which Tiger Global and Riverwood Capital are major investors), Jorge acted as the company's country manager before becoming Regional Vice President where he was responsible for all new business development and operations. During his time at Navent, Jorge led the successful acquisitions of five different Latin American based online classified sites.

As CEO of Grupo Centrico Jorge founded Evaluar.com, Latin America's leading HR evaluation company with operations in Chile, Peru, Ecuador and Mexico, as well as Seguros123.com, an online insurance comparison portal. Jorge also led the successful acquisition and integration of PatioTuerca.Com and Vive1.com.

Jorge holds a BA and an MSc in Human Resources Development, both from the Palm Beach Atlantic University, USA. He is a founding member and President of Internet Advertising Bureau Ecuador.



4.2.2. Jacobo Moreno

(Chief Technology Officer)

Recognised as one of the leading tech entrepreneurs in Ecuador, Jacobo Moreno was the Chief Technology Officer of Grupo Centrico, where he was responsible for the development of Grupo Centrico's four unique product lines. Jacobo was also responsible for research and development, user experience, and new product development.

Prior to merging with Grupo Centrico, from 2004 to 2013 Jacobo founded and acted as the CEO of Avisoriaweb, the parent company of PatioTuerca.com, the largest online auto classified portal in Ecuador, Bolivia and Panama. Simultaneously, Jacobo also managed Vive1.com, one of Ecuador's leading real-estate portals.

As CEO of Avisoriaweb, with assets such as PatioTuerca and Vive1, Jacobo managed all elements of business development, including product, monetisation strategy and international expansion.

Jacobo holds a degree in computer science from the University of the Americas, Ecuador.

4. Board, Management and Corporate Governance



4.2.3. Gareth Bannan

(Chief Financial Officer)

Gareth is a co-founder of LatAm Autos. He is also a Director of Chestnut Partners Assessoria Financeira S.A., a South American focussed corporate finance firm based in São Paulo, Brazil.

Gareth has 10 years' mergers & acquisitions and capital markets experience (including 3 years in Latin America), and previously worked at KPMG Corporate Finance (Sydney) and Rabobank (Sydney). Gareth has worked on many acquisitions of South American companies for foreign clients. Gareth was also the head of corporate finance for the investment company that owns one of Brazil's largest online property classifieds, canaldoimovel.com.br.

Gareth holds a Bachelor of Economics degree (major in Economics and Finance) and a Masters of Finance degree both from the University of New South Wales.



4.2.4. Ariel Cilento

(Chief Operating Officer)

Prior to joining LatAm Autos, Ariel was the Mexican country manager for Dridco, one of Latin America's leading digital media companies with online classifieds for autos, jobs and real estate, where he was responsible for the start-up and development of Dridco in Mexico. Since setting up the business in 2009, revenues grew to US\$4.5m in 2013 and the business achieved a consolidated audience of more than 5.5m visits per month.

Prior to Dridco Ariel was the Vice President and Country Manager for Bumeran.com, a leading online employment classifieds business in Latin America.

Ariel holds a degree in Systems Analysis from the University of Buenos Aires, a degree in Corporate Finance from the Instituto de Estudios Superiores de Administración in Venezuela, and is completing an MBA from IPADE Business School in Mexico.



4.2.5. Matthew Carpenter-Arevalo

(Chief Marketing Officer)

As a manager in the Online Partnerships Group at Google between 2008-2011, Matthew managed a team of 10 and a book of business worth over US\$500m annually. Matthew oversaw sales efforts for top tier customers for publisher-facing products, including AdSense and DoubleClick.

In 2011 Matthew joined the World Economic Forum in Switzerland where he led efforts to develop the forum's network of young tech and entrepreneurship leaders in Latin America. Between 2013 and 2014 Matthew worked as a Partner Manager for Twitter where he was responsible for managing Twitter's Spanish-Speaking Latin America sales operations and performance.

In 2014 Matthew joined Grupo Centrico as Director of Business Development. His responsibilities include online and offline marketing for all of Grupo Centrico's product lines, product strategy, and international expansion.

Matthew Carpenter-Arevalo holds a BA from St. Thomas University and a Masters of Philosophy from the University of Oxford, funded through a Rhodes Scholarship. He is a regular commentator and speaker in English and Spanish on technology related issues in Latin America and contributes to publications such as TheNextWeb.Com.

4. Board, Management and Corporate Governance

4.3. Interests and benefits

4.3.1. Interest of advisors

The nature and extent of the interests and fees of professional advisors engaged by the Company is set out in Section 9 (Additional Information).

4.3.2. Directors' interests and remuneration

Executive Chairman

LatAm Autos entered into a consultancy agreement with Chestnut Partners Assessoria Financeira S.A., a company controlled by Timothy Handley, pursuant to which Timothy Handley will exclusively provide services to the LatAm Group of Companies as Executive Chairman.

Refer to Section 4.3.3 for further details.

LatAm Autos entered into a letter of appointment with Timothy Handley in respect of his appointment as a director of LatAm Autos.

Non-executive Directors

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. For the remainder of the financial year ending 31 December 2014, it is expected that the fees payable to the current Directors will not exceed \$70,000 in aggregate. 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.

Deeds of access, indemnity and insurance

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.

Pursuant to the Constitution, the Company may indemnify Directors and employees, past and present, against liabilities allowed under law. Under the deeds of access, insurance and indemnity, the Company indemnifies each Director against all liabilities to another person that may arise from their position as a director of the Company or its subsidiaries to the extent permitted by law. The deed stipulates that the Company will meet the full amount of any such liabilities, including reasonable legal costs and expenses.

Pursuant to the Constitution, the Company may arrange and maintain directors' and officers' insurance for its Directors to the extent permitted by law. Under the deed of access, insurance and indemnity, the Company must obtain such insurance during each Director's period of office and for a period of seven years after a Director ceases to hold office. This seven-year period can be extended where certain proceedings or investigations commence before the seven-year period expires.

Other information and interests

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.

Subject to compliance with the Corporations Act, Adminweb S.A. is entitled to 6 months fees if the consultancy agreement under which Jorge Mejía Ribadeneira is engaged is terminated before the end of the three year term and Chestnut Partners Assessoria Financeira S.A. is entitled to 12 months fees if the consultancy agreement under which Timothy Handley is engaged is terminated before the end of the three year term.

Directors' shareholdings

Refer to Section 5.7 for details regarding Directors' shareholdings.

4.3.3. Executive remuneration

Executive Chairman

LatAm Autos entered into a consultancy agreement on 7 November 2014 with Chestnut Partners Assessoria Financeira S.A., a company controlled by Mr Handley, to document Mr Handley's executive role with the LatAm Group of Companies.

4. Board, Management and Corporate Governance

The Company has appointed Mr Handley as Executive Chairman. From early 2015 he will be based in Buenos Aires.

Chestnut Partners Assessoria Financeira S.A. will receive annual fees of \$240,000, together with annual expenses for Mr Handley of up to \$50,000 (including for housing, insurance and other expatriate expenses). Chestnut Partners Assessoria Financeira S.A. will be eligible for an annual short term cash incentive, depending on performance against key performance indicators which are yet to be determined by the Board. Chestnut Partners Assessoria Financeira S.A. will also be eligible to participate in a long term incentive plan which may take the form of cash, Shares or securities convertible to Shares on terms yet to be determined by the Board.

LatAm Autos may terminate the consultancy agreement by 60 days' notice to Chestnut Partners Assessoria Financeira S.A. (or payment in lieu of notice). If the agreement is terminated before the end of the 3 year term, to the extent permitted by law, Chestnut Partners Assessoria Financeira S.A. will be entitled to a termination payment equivalent to 12 months' fees. In the event of serious breach, LatAm Autos may terminate the consultancy agreement immediately without notice.

Upon termination of the consultancy agreement, Mr Handley personally will be subject to a restraint on competing with the LatAm Group of Companies and on solicitation of the LatAm Group of Companies' clients, suppliers and employees for a period of 12 months following the termination of the agreement. The restraint is given under the laws of New South Wales and is subject to usual legal requirements for restraints in this jurisdiction.

Chief Executive Officer

Latamautos Corporación S.A., a wholly owned member of the LatAm Group of Companies, entered into a consultancy agreement on 13 October 2014 with Adminweb S.A, a company controlled by Mr Mejía Ribadeneira, to document Mr Mejía Ribadeneira's executive role with the LatAm Group of Companies.

The Company has appointed Mr Mejía Ribadeneira as Chief Executive Officer. Mr Mejía Ribadeneira will be based in Quito, Ecuador.

Adminweb S.A will receive annual fees of \$240,000. Adminweb S.A will be eligible for an annual short term cash incentive, depending on performance against key performance indicators which are yet to be determined by the Board. Adminweb S.A will also be eligible to participate in a long term incentive plan, which may take the form of cash, Shares or securities convertible to Shares on terms yet to be determined by the Board.

Latamautos Corporación S.A. may terminate the consultancy agreement by 60 days' notice to Adminweb S.A. (or payment in lieu of notice). If the agreement is terminated before the end of the 3 year term, to the extent permitted by law, Adminweb S.A. will be entitled to a termination payment equivalent to 6 months' fees determined on a pro rata basis. In the event of serious breach, Latamautos Corporación S.A. may terminate the consultancy agreement immediately without notice.

Upon termination of the consultancy agreement, Mr Mejía Ribadeneira personally will be subject to a restraint on competing with the LatAm Group of Companies and on solicitation of the LatAm Group of Companies' clients, suppliers and employees for a period of 12 months following the termination of the agreement. The restraint is given under both the laws of New South Wales and the laws of Ecuador and is subject to usual legal requirements in those jurisdictions.

As set out in Section 9.4.1, Jorge Mejía Ribadeneira is one of the vendors of Avisoriaweb S.A.. Jorge has already received cash consideration for 49.9% of his 38% shareholding in Avisoriaweb S.A.. Upon completion of the Avisoriaweb Share Purchase Agreement, which will occur simultaneously with Completion of the Offer, Jorge will be issued 9,003,720 Shares in consideration for the balance of his shareholding in Avisoriaweb S.A..

Other key management

Each other member of LatAm Autos' senior management is either engaged as a consultant under a consultancy agreement or employed under an individual employment agreement with one of LatAm Autos' Subsidiaries. These agreements document annual based service fees or base salary and any incentive arrangements, as determined by the Board from time to time; confidentiality provisions; ownership of intellectual property provisions and a non compete restraint following the termination of engagement or employment. Notice of termination provisions and leave entitlements vary depending on the laws of the jurisdiction in which the agreement is made.

Proposed Long Term Incentive Plan

LatAm Autos intends to introduce a long term incentive plan for management and executive directors which will be limited to a maximum of 5% of the shares of the Company.

It is intended that Jorge Mejía Ribadeneira will participate in the plan for a maximum of up to 2% of the shares of the Company vesting over a number of years to be determined, with appropriately structured incentive based targets.

4. Board, Management and Corporate Governance

4.4. Corporate governance

This Section 4.4 explains how the Board will oversee the management of LatAm Autos' business. The Board is responsible for the overall corporate governance of LatAm Autos. The Board monitors the operational and financial position and performance of LatAm Autos and oversees its business strategy, including approving the strategic goals of LatAm Autos. The Board is committed to maximising performance, generating appropriate levels of Shareholder value, and sustaining the growth and success of LatAm Autos. In conducting business with these objectives in mind, the Board seeks to ensure that LatAm Autos is properly managed to protect and enhance Shareholder interests, and that LatAm Autos, and its directors, officers and personnel, operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing LatAm Autos, and has adopted or is developing relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for LatAm Autos' business and which are designed to promote the responsible management and conduct of LatAm Autos.

The main policies adopted by LatAm Autos, which will take effect from Listing, are summarised below. In addition, governance elements are contained in the Constitution. LatAm Autos' code of conduct outlines the standards of conduct expected of LatAm Autos' business and personnel in a range of circumstances. In particular, the code articulates the high standards of honesty, integrity, ethical and law abiding behaviour expected of Directors and management. Following Listing, the LatAm Group of Companies will develop further practices consistent with the policies summarised below.

The ASX Corporate Governance Council has developed and released the third edition of its corporate governance principles and recommendations (ASX Recommendations) for Australian listed entities in order to promote investor confidence and to assist companies to meet stakeholder expectations. The principles and recommendations are not prescriptions, but guidelines. Under the Listing Rules, LatAm Autos will be required to provide a statement in its annual report disclosing the extent to which it has followed the principles and recommendations in the reporting period. Where LatAm Autos does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it. Given the size of LatAm Autos Board and its market capitalisation, LatAm Autos has departed from certain recommendations of the ASX Corporate Governance Council. These departures are described in further detail in Section 4.4.10.

4.4.1. Board composition

The Board is comprised of three non-executive Directors and one executive Director. The Board consists of:

- Timothy Handley;
- Simon Clausen (independent non-executive);
- Michael Fitzpatrick (independent non-executive); and
- Colin Galbraith (independent non-executive).

Detailed biographies of the Directors are provided above in Section 4.1.

Each non-executive Director has confirmed to LatAm Autos that they anticipate being available to perform their duties as a non-executive Director without constraint from other commitments.

The Board considers an independent Director to be a non-executive Director who is not a member of LatAm Autos' management and who is free of any business or other relationship that could materially interfere with or reasonably be perceived to interfere with the independent exercise of their judgement. The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted guidelines to assist it in this regard. The Board intends to review the independence of each Director in light of interests disclosed by the Directors to the Board from time to time.

The LatAm Autos Board charter sets out guidelines and thresholds of materiality for the purposes of determining the independence of Directors in accordance with the ASX Recommendations, and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

The Board considers Simon Clausen, Michael Fitzpatrick and Colin Galbraith to be independent Directors. Each of them has a relevant interest in Shares, as set out in Section 5.7. The Board has considered each of these relevant interests and does not consider that their interest in Shares materially interfere with, or could be reasonably perceived to interfere with the independent exercise of their judgement in their position as a Director. The Board also considers that Colin Gailbraith, Simon Clausen and Michael Fitzpatrick are otherwise free from any business or relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their judgement, and that each of these Directors is able to fulfil the role of independent Director for the purposes of the ASX Recommendations.

4. Board, Management and Corporate Governance

Timothy Handley is currently considered by the Board to not be independent on the basis that he is also engaged in an executive management role.

4.4.2. Board charter

The Board has adopted a written charter to provide a framework for the effective operation of the Board, which sets out:

- the Board's composition;
- the Board's role and responsibilities; and
- the relationship and interaction between the Board and management.

The Board's role is to, among other things:

- Represent and serve the interests of Shareholders by overseeing and appraising LatAm Autos' strategies, policies and performance;
- Oversee LatAm Autos, including providing leadership and setting its strategic objectives;
- Approve and monitor systems of risk management, internal compliance, accountability and control, codes of conduct and legal compliance to ensure appropriate compliance frameworks and controls are in place;
- Set the risk appetite within which the Board expects management to operate;
- Monitor senior management's performance and approve remuneration policies and practices;
- Monitor implementation of strategy and ensure appropriate resources are available;
- Approve and monitor the progress of major capital expenditure, capital management and acquisitions and divestitures;
- Approve budgets;
- Approve and monitor the corporate, financial and other reporting systems of the LatAm Group of Companies, including external audit, and oversee their integrity;
- Adopt appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards, including establishing procedures to ensure information that a reasonable person would expect to have a material effect on the price or value of the Shares is appropriately and accurately disclosed on a timely basis in accordance with all legal and regulatory requirements; and
- Monitor the effectiveness of the LatAm Group of Companies' governance practices.

Matters which are specifically reserved for the Board include:

- Appointment of the Chairman;
- Appointment and removal of the CEO;
- Appointment of Directors to fill a vacancy or as an additional Director;
- Establishment of Board committees, their membership and delegated authorities;
- Approval of dividends;
- Review of corporate codes of conduct;
- Approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- Calling of meetings of Directors or Shareholders; and
- Any other specific matters nominated by the Board from time to time.

Given the size of the Board and the Company, the Board believes that it is not necessary to establish separate standing Board committees for audit, risk, nomination and remuneration, and that it is more appropriate for the Board to carry out these functions. As a result, the role and responsibilities of the Board in respect of nomination, audit, risk and remuneration have been incorporated into LatAm Autos' Board charter.

Under the charter, it is the policy of LatAm Autos that its external auditing firm must be independent. The Board will review and assess the independence of the external auditor on an annual basis.

4. Board, Management and Corporate Governance

The management function is conducted by, or under the supervision of, the CEO as directed by the Board (and by officers to whom the management function is properly delegated by the CEO). Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to access management and to request additional information at any time they consider it appropriate. The Board collectively, and individual Directors, may seek independent professional advice at LatAm Autos' expense, subject to the reasonable approval of the Chairman of the Board and the advice received is made available to the Board as a whole.

4.4.3. Continuous disclosure policy

Once listed on ASX, LatAm Autos will be required to comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act. Subject to the exceptions contained in the Listing Rules, LatAm Autos will be required to disclose to ASX any information concerning LatAm Autos which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. The Company is committed to observing its disclosure obligations under the Listing Rules and the Corporations Act. The Company has adopted a policy to take effect from Listing which establishes procedures that are aimed at ensuring that Directors and management are aware of, and fulfil, their obligations in relation to the timely disclosure of material, price-sensitive information. Under the disclosure policy, the Board will be responsible for managing LatAm Autos' compliance with its continuous disclosure obligations.

4.4.4. Securities trading policy

LatAm Autos has adopted a securities trading policy which will apply to LatAm Autos and its Directors, officers, employees and management, including those persons having authority and responsibility for planning, directing and controlling the activities of LatAm Autos, whether directly or indirectly.

The policy is intended to explain the types of conduct in relation to dealings in Shares that are prohibited under the Corporations Act and establish procedures in relation to Directors, management or employees dealing in Shares.

Subject to certain exceptions, including exceptional financial circumstances or during a period in which LatAm Autos is subject to heightened disclosure requirements (e.g. during the offer period under a prospectus), the securities trading policy defines certain "trading windows" during which trading in Shares by Directors, officers, employees and senior management is permitted, while trading at any other time is prohibited. Those trading windows are currently defined as the six week periods beginning at the open of trading on the day after the dates on which:

- the Company announces its half yearly results to ASX;
- the Company announces its full year results to ASX; and
- the Company holds its annual general meeting (assuming an update on the full year's results is given at the meeting),

and any additional periods determined by the Board from time to time.

A copy of this securities trading policy will be available on LatAm Autos' website at www.latamautos.com.

4. Board, Management and Corporate Governance

4.4.5. Code of conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a formal code of conduct, to take effect from Listing, to be followed by all employees and officers. The key aspects of this code are to:

- act with honesty, integrity, fairness, responsibility and ethically, and in the best interests of LatAm Autos;
- act in accordance with all applicable laws, regulations, policies and procedures;
- have responsibility and accountability for individuals for reporting and investigating reports of unethical practices; and
- use LatAm Autos' resources and property properly.

The code of conduct sets out LatAm Autos' policies on various matters including ethical conduct, business conduct, compliance, privacy, security of information, integrity and conflicts of interest.

4.4.6. Diversity policy

LatAm Autos values a strong and diverse workforce and is committed to developing measurable objectives of diversity and inclusion in its workplace. LatAm Autos will implement a diversity policy consistent with ASX recommendations, with meritocracy the guiding principle, which is overseen by the Board and which aligns LatAm Autos' management systems with the commitment to develop a culture that values and achieves diversity in its workforce and on its Board. In its annual report, LatAm Autos will disclose the measurable objectives for achieving diversity and progress towards achieving them.

4.4.7. Risk management policy

The identification and proper management of LatAm Autos' risks are an important priority of the Board. LatAm Autos has adopted a risk management policy appropriate for its business. This policy highlights the risks relevant to LatAm Autos' operations and LatAm Autos' commitment to designing and implementing systems and methods appropriate to minimise and control its risks. The Board is responsible for overseeing and approving risk management strategy and policies.

The Board is responsible for monitoring risk management and establishing procedures which seek to provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

LatAm Autos will regularly undertake reviews of its risk management procedures to ensure that it complies with its legal obligations.

LatAm Autos will implement a system whereby management may be required to report as to its adherence to policies and guidelines approved by the Board for the management of risks.

4.4.8. Communications with Shareholders

The Board's aim is to ensure that Shareholders are provided with sufficient information to assess the performance of LatAm Autos and that Shareholders are informed of all major developments affecting the affairs of LatAm Autos in accordance with all applicable laws. The Company is required by law to communicate to Shareholders through the lodgement of all relevant financial and other information with ASX. The Company will also publish this information on LatAm Autos' website at www.latamautos.com. LatAm Autos' website will also contain information about the Company, including media releases, key policies and the Board charter.

4.4.9. Related party transactions

Other than as disclosed in this Prospectus (see Section 1.3), LatAm Autos is not party to any material related party arrangements.

4. Board, Management and Corporate Governance

4.4.10. Compliance

The Board has adopted corporate governance policies and practices which are, except as set out in this Section 4.4.10, in accordance with the ASX Recommendations.

Given the size of the Company and of the Board, the Board has elected not to establish a committee for:

- nomination (ASX Recommendation 2.1);
- audit (ASX Recommendation 4.1);
- risk (ASX Recommendation 7.1); or
- remuneration (ASX Recommendation 8.1).

The Board believes that it will be more efficient and effective for the Board to perform these responsibilities. The Company's Board charter and risk management policy sets out the role and responsibilities that will be performed by the Board in respect of nomination, audit, risk and remuneration.

While the Board recognises the importance of independence in decision making, the Chairman, Timothy Handley, is not an independent director (ASX Recommendation 2.5). The Board believes that Mr Handley is the most appropriate person for the position of Chairman because of his expertise and his in-depth knowledge of the Company.



5.

DETAILS OF THE OFFER

5. DETAILS OF THE OFFER

5.1. The Offer

The Offer is an invitation to apply for 60,000,000 Shares at the Offer Price of \$0.30 per Share to raise \$18.0m. The Shares to be issued in the Offer will represent approximately 25.0% of the Shares on issue on Completion of the Offer and completion of the Acquisition Agreements.

All Shares on issue at Completion of the Offer will rank equally with each other. The Shares are fully paid ordinary shares. A summary of the rights attaching to the Shares is set out in Section 5.20.

The Offer is open to resident retail clients of brokers, institutional investors who are resident in Australia, and institutional investors in certain overseas jurisdictions who are invited to participate. The allocation of Shares will be determined by agreement between the Joint Lead Managers and LatAm Autos.

5.2. Structure of the Offer

The Offer comprises:

- the Broker Firm Offer, which is open only to Australian and New Zealand resident retail investors who have received an invitation to participate from their Broker; and
- the Institutional Offer, which consists of an invitation to bid to Institutional Investors in Australia and New Zealand, and a number of other eligible jurisdictions under this Prospectus to acquire Shares.

The allocation of Shares between the Broker Firm Offer and the Institutional Offer will be determined by the Joint Lead Managers, in agreement with LatAm Autos, having regard to the allocation policy outlined in Section 5.8.9.

5.3. Capital structure of LatAm Autos before and after the Offer

LatAm Autos was incorporated on 11 April 2014 as an Australian proprietary company limited by shares. On 21 August 2014, the shareholders of LatAm Autos resolved to convert LatAm Autos to a public company. The public company conversion became effective on 2 October 2014.

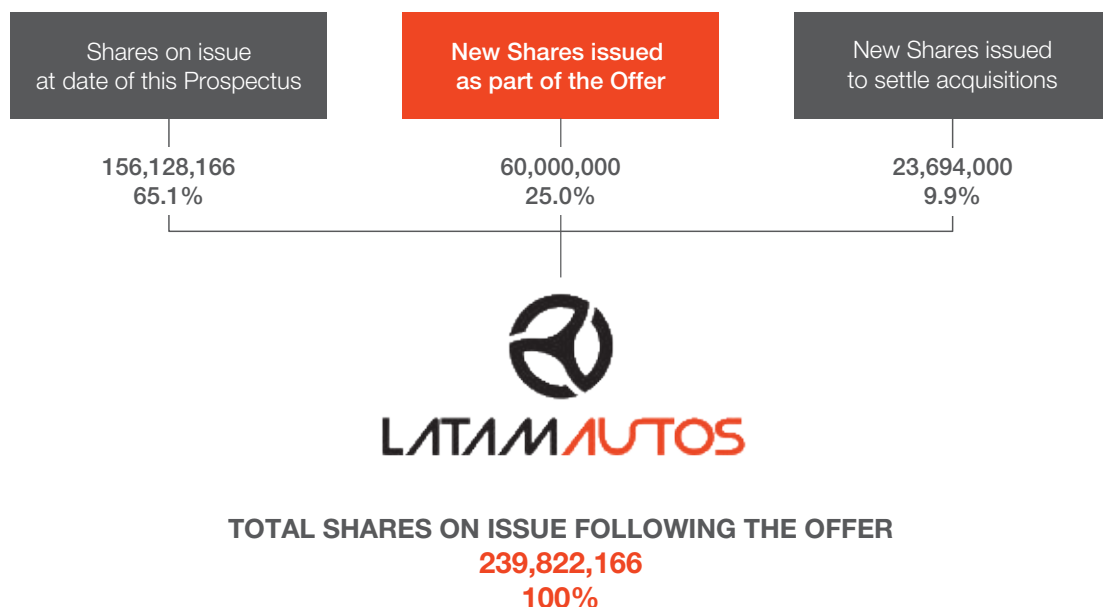
At the date of the Prospectus, LatAm Autos has 156,128,166 issued Shares. The Offer will result in the issuance of 60,000,000 Shares, representing 25.0% of the total issued Shares in LatAm Autos. On completion of the Avisoriaweb Share Purchase Agreement, (which will occur contemporaneously with Completion of the Offer), the company will issue a further 23,694,000 Shares.

On Completion of the Offer and each Acquisition Agreement, the LatAm Autos capital structure will be as follows:

LatAm Autos Capital Structure	Shares	% Shareholding following the Offer
Shares on issue at the date of this Prospectus	156,128,166	65.1%
New Shares issued as part of the Offer	60,000,000	25.0%
New Shares issued to settle acquisitions	23,694,000	9.9%
Total Shares on Issue following the Offer	239,822,166	100%

5. Details of the Offer

Figure 8 – Capital structure following the Offer



5.4. Purpose of the Offer and use of proceeds

Outlined below is the intended sources and uses of funds raised under the Offer.

Sources	A\$m	Uses	A\$m
Cash proceeds received for the issue of new Shares	18.0	Remaining consideration under Acquisition Agreements ¹	7.0
		Working capital:	
		Marketing	5.5
		Personnel	2.5
		Other	0.3
		Future acquisitions	1.0
		Transaction costs	1.7
Total	18.0	Total	18.0

The expenses connected with the Offer which are payable by LatAm Autos are estimated to be approximately \$1.7m. These expenses comprise advisory, legal, accounting, tax, listing and administrative fees, the Joint Underwriters' fees, Prospectus design and printing, marketing, Share Registry and other expenses.

5.5. Effect of the Offer on the future of LatAm Autos

The Directors are of the opinion that, following Completion of the Offer, LatAm Autos will have enough working capital to carry out its stated objectives.

1. Includes Exercise of Demotores Agreement (inclusive of the recoverable Value Added Taxes (VAT) to be paid of approximately 16%. AUD:USD exchange rate of 1:0.9246 applied), and balance of consideration for Seminuevos Acquisition Agreement (AUD:USD exchange rate of 1:0.9246 applied) and Todoautos Acquisition Agreement (AUD:PEN (Peruvian Sole) exchange rate of 1:2.6348 applied).

5. Details of the Offer

5.6. Key Shareholders of LatAm Autos

The table below sets out the details of the key Shareholders after Completion of the Offer and the Acquisition Agreements.

Key Shareholder	Shareholding on Completion of Offer	
	No. of Shares	% Shareholding
Chestnut Partners Ltd	50,000,000	20.8%
Avisoriaweb Vendors	23,694,000	9.9%
Log Creek Pty Ltd	34,037,038	14.2%
Startive Ventures Inc	19,722,223	8.2%

5.7. Direct and indirect holdings of the Directors and of other persons connected with the Company

The table below sets out the details of the direct and indirect holdings of the Directors and of other persons connected with the Company in LatAm Autos.

Person	Shareholding on Completion of Offer			
	Direct	Indirect	Total	%
Timothy Handley ¹	–	28,125,000	28,125,000	11.7%
Michael Fitzpatrick ²	–	34,037,038	34,037,038	14.2%
Simon Clausen ³	–	19,722,223	19,722,223	8.2%
Jorge Mejía Ribadeneira ⁴	9,003,720	2,500,000	11,503,720	4.8%
Colin Galbraith ⁵	–	740,741	740,741	0.3%

Under the Offer Michael Fitzpatrick will subscribe for 10,000,000 Shares and Simon Clausen will subscribe for 6,666,667 Shares. No other Directors intend to subscribe for Shares under the Offer in addition to their current holdings.

5.8. Terms and conditions of the Offer

5.8.1. What is the type of Security being offered?

Shares, being fully paid ordinary shares in the capital of LatAm Autos.

5.8.2. What are the rights and liabilities attached to the Shares?

A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 5.20.

5.8.3. What is the consideration payable for each Share?

The Offer Price is \$0.30 per Share.

1. Timothy Handley's indirect holding of 28,125,000 Shares has been calculated on the basis of Mr Handley's economic interest in 56.25% of Chestnut Partners Ltd, which holds 50,000,000 Shares. Timothy Handley's deemed relevant interest in LatAm Autos, through his position as the controlling shareholder of Chestnut Partners Ltd, is 50,000,000 Shares or 20.8%.
2. Shares held through Log Creek Pty Ltd, including 925,926 Shares to be transferred to Log Creek Pty Ltd before Completion of the Offer and 10,000,000 Shares subscribed to under the Offer. Total shareholding shown is reflective of relevant interest in LatAm Autos.
3. Shares held through Startive Ventures Inc., including 925,926 Shares to be transferred to Startive Ventures Inc before Completion of the Offer and 6,666,667 Shares subscribed to under the Offer. Total shareholding shown is reflective of relevant interest in LatAm Autos.
4. Jorge Mejía Ribadeneira is not a Director, however he is a significant person connected with the Company. Mr Mejía Ribadeneira's indirect holding of 2,500,000 Shares has been calculated on the basis of Mr Ribadeneira's economic interest in 5% of Chestnut Partners Ltd, which holds 50,000,000 Shares. Jorge Mejía Ribadeneira's relevant interest in LatAm Autos does not include this indirect holding. Mr Mejía Ribadeneira's relevant interest in LatAm Autos is 9,003,720 Shares or 3.8%.
5. Shares held through superannuation fund. Total shareholding shown is reflective of relevant interest in LatAm Autos.

5. Details of the Offer

5.8.4. Who can apply for Shares?

The Offer is open to the clients of Brokers who have been invited to participate and Institutional Investors who have a registered address in Australia and who have received a copy of the Prospectus. Directors may participate in the Offer.

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus.

5.8.5. What are the key dates?

KEY DATES

Original Prospectus lodgement date	26 November 2014
Broker Firm Offer opens	11 December 2014
Broker Firm Offer closes and Applications due	12 December 2014
Settlement Date	16 December 2014
Issue of Shares, Completion of Offer, completion of the Avisoriaweb Share Purchase Agreement and exercise of option under Demotores Agreement (with completion of acquisition as soon as practicable thereafter)	17 December 2014
Expected commencement of trading on ASX on a deferred settlement basis	17 December 2014
Expected despatch of holding statements and any refund payments required	18 December 2014
Expected commencement of trading on ASX on a normal settlement basis	24 December 2014

This timetable is indicative only and Applicants are encouraged to submit their Applications as early as possible. LatAm Autos, in consultation with the Joint Lead Managers, has the right to close the Offer early or extend the Offer, to accept late Applications, or vary any other date without prior notice.

5.8.6. What are the cash proceeds to be raised?

\$18.0m will be raised under the Offer. The Board will not accept any oversubscriptions.

5.8.7. What is the minimum application size under the Offer?

Please refer to the instructions on the back of the Application Form when completing your Application. Applications must be for a minimum of 6,667 Shares (\$2,000) and thereafter in increments of 1,667 Shares (\$500).

5.8.8. When will I receive confirmation whether my application has been successful?

It is expected that initial holding statements will be despatched by standard post on or about 18 December 2014.

5.8.9. What is the allocation policy?

The allocation of Shares between the Broker Firm Offer and the Institutional Offer has been determined by the Joint Lead Managers and LatAm Autos, having regard to the allocation policies outlined in Sections 5.11.6 and 5.12.2.

5.8.10. Will the Shares be listed?

LatAm Autos has applied to ASX for admission to the official list of ASX and quotation of Shares on ASX under the code LAA. Completion of the Offer is conditional on ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

The ASX takes no responsibility for this Prospectus or the investment to which it relates.

The fact that the ASX may admit LatAm Autos to the Official List is not to be taken as an indication of the merits of LatAm Autos or the Shares offered for subscription.

5. Details of the Offer

5.8.11. When are the Shares expected to commence trading?

It is expected that trading of the Shares on ASX will commence on or about 17 December 2014 on a deferred settlement basis. Trading will be on a deferred settlement basis until LatAm Autos has advised the ASX that holding statements have been despatched to Shareholders.

It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk. LatAm Autos and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding, whether on the basis of a confirmation of allocation provided by any of them or by a Broker or otherwise.

5.8.12. Is the Offer underwritten?

The Joint Lead Managers are fully underwriting the Institutional Offer, and Broker Firm Offer. A summary of the Underwriting Agreement is set out in section 9.4.2.

5.8.13. Are any Shares subject to escrow arrangements?

Shares held by the Directors and the CEO (or by a company controlled by them) that are Restricted Shares are:

Person	For 12 months from the date of admission	For 24 months from the date of admission
	(% of holding restricted)	(% of holding restricted)
1. Timothy Handley ¹	100%	100%
2. Jorge Mejia Ribadeneira ²	100%	100%
3. Simon Clausen ³	64.1%	15.9%
4. Michael Fitzpatrick ⁴	64.7%	32.9%
5. Colin Galbraith ⁵	100%	10%

The total percentages of Shares that will be Restricted Shares on Completion of the Offer for the time periods referred below are:

Total percentage of Shares that are Restricted Shares (on Completion of the Offer)	
For 12 months from the date of admission	For 24 months from the date of admission
(% of holding restricted)	(% of holding restricted)
70.79% ⁶	32.77% ⁷

1. Timothy Handley's shares, held through Chestnut Partners Limited, are restricted as to 100% for 24 months after Listing on the terms of an ASX mandatory restriction agreement.
2. Jorge Mejia Ribadeneira's Shares are restricted as to 100% for 24 months after Listing on the terms of an ASX mandatory restriction agreement.
3. Simon Clausen's shares, held through Startive Ventures, Inc, are restricted as to 15.9% for 24 months after Listing on the terms of an ASX mandatory restriction agreement. Mr Clausen has agreed to restrict a further 48.2% of his shares for 12 months after Listing on the terms of a voluntary restriction agreement with the Company.
4. Michael Fitzpatrick's shares, held through Log Creek Pty Ltd, are restricted as to 32.9% for 24 months after Listing on the terms of an ASX mandatory restriction agreement. Mr Fitzpatrick has agreed to restrict a further 31.8% of his shares for 12 months after Listing on the terms of a voluntary restriction agreement with the Company.
5. Colin Galbraith's shares are held through a superannuation fund, and are restricted as to 10.0% for 24 months after Listing on the terms of an ASX mandatory restriction agreement. Mr Galbraith has agreed to restrict 90% of his shares for 12 months after Listing on the terms of a voluntary restriction agreement with the Company.
6. 52.95% of total shares after Completion of the Offer are restricted for 12 months after Listing on the terms of an ASX mandatory restriction agreement. 17.84% of total shares after Completion of the Offer are agreed to be restricted for 12 months on the terms of a voluntary restriction agreement with the Company.
7. 32.77% of total shares after Completion of the Offer remain restricted until 24 months after Listing on the terms of an ASX mandatory restriction agreement. 0% of total shares after Completion of the Offer remain restricted until 24 months after Listing on the terms of a voluntary restriction agreement with the Company.

5. Details of the Offer

These restriction arrangements will prevent the holders of the Restricted Shares from disposing of any of the Restricted Shares they hold on Completion of the Offer for the time periods referred above, commencing on the date of the Company's admission to the Official List.

There are limited circumstances in which the Restricted Shares may be released during the time periods referred above, including:

- (a) to allow the holder of the Restricted Shares to accept an offer under a takeover bid in relation to its Restricted Shares provided that at least half of the Shares subject of the bid that are not Restricted Shares have been accepted into the takeover bid; and
- (b) to allow the Restricted Shares to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act.

The restriction on 'disposing' of Restricted Shares at any given time during the periods referred to above is broadly defined. It includes, among other things, selling, assigning, transferring or otherwise disposing of any interest in the Restricted Shares, encumbering or granting a security interest over the Shares, doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Shares or agreeing to do any of those things.

5.8.14. Have ASIC relief or ASX confirmations or waivers been obtained or relied on?

No.

5.8.15. Are there any brokerage, commission or stamp duty considerations?

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.

5.9. What are the taxation considerations?

The advice from Grant Thornton Australia in Section 9.5 provides a general summary of Australian tax issues for Australian tax resident individual Shareholders who acquire Shares under this Prospectus and hold their Shares on capital account for Australian income tax purposes.

5.10. What should you do with any enquiries?

If you are unclear or uncertain as to whether LatAm Autos is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

5.11. Broker Firm Offer

5.11.1. Who can apply

The Broker Firm Offer is open only to Australian resident investors who are not Institutional Investors and who have received an invitation from their Broker to participate. If you have received an invitation from your Broker, you will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. You should contact your Broker to determine whether they may allocate Shares to you under the Broker Firm Offer.

5.11.2. How to apply

Applications for Shares may only be made on an Application Form included in, or accompanying, this Prospectus. If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Application Form with the Broker from whom you received your invitation to participate. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Application Form.

By making an Application, you declare that you were given access to this Prospectus (or any supplementary or replacement prospectus), together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is included in, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

5. Details of the Offer

The Company and the Underwriters reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person or reject or scale back any Applications in the Broker Firm Offer which are for more than \$100,000 worth of Shares. The Company may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer Application procedures or requirements, in its discretion in compliance with applicable laws.

Applicants under the Broker Firm Offer must lodge their Application Form and Application Monies with the relevant Broker in accordance with the relevant Broker's directions. Applicants under the Broker Firm Offer must not send their Application Forms to the Share Registry.

The Company, the Underwriters and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

The Broker Firm Offer opens at 9.00am Sydney Time on 11 December 2014 and is expected to close at 5.00pm Sydney Time on 12 December 2014. The Company and the Underwriters may elect to extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer, or any part of it, may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

5.11.3. How to pay

Applicants under the Broker Firm Offer must pay their Application Monies in accordance with the instructions received from their Broker.

5.11.4. Application monies

The Company reserves the right to decline any Application in whole or in part, without giving any reason. Applicants under the Broker Firm Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any monies refunded.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Monies provided by the Offer Price. Where the Offer Price does not divide evenly into the Application Monies, the number of Shares to be allocated will be determined by the Applicant's Broker.

Cheque(s) or bank draft(s) must be in Australian dollars and drawn on an Australian branch of an Australian bank, must be crossed 'Not Negotiable' and must be made payable in accordance with the directions of the Broker from whom the Applicant received their firm allocation of Shares.

Applicants should ensure that sufficient funds are held in the relevant account(s) to cover the amount of the cheque(s) or bank draft(s). If the amount of your cheque(s) or bank draft(s) for Application Monies (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is less than the amount specified on your Application Form, you may be taken to have applied for such lower Australian dollar amount of Shares as for which your cleared Application Monies will pay (and to have specified that amount on your Application Form) or your Application may be rejected.

5.11.5. Acceptance of Applications

An Application in the Broker Firm Offer is an offer by an Applicant to the Company to apply for Shares in the amount specified on the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Application Form (including the conditions regarding quotation on ASX in Section 5.18.1 and the acknowledgements in Section 5.12.3). To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.

An Application may be accepted by the Company and the Underwriters in respect of the full number of Shares specified in the Application Form or any of them, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract.

5.11.6. Broker Firm Offer allocation policy

The allocation of firm stock to Brokers was determined by the Company and the Underwriters. Shares which have been allocated to Brokers for allocation to their Australian resident retail clients will be issued to the Applicants who have received a valid allocation of Shares from those Brokers (subject to the right of the Company and the Underwriters to reject or scale back Applications which are for more than \$100,000). It will be a matter for those Brokers how they allocate Shares among their retail clients, and they (and not the Company or the Underwriters) will be responsible for ensuring that retail clients who have received an allocation from them, receive the relevant Shares.

5. Details of the Offer

5.12. Institutional Offer

5.12.1. Invitations to bid

The Company and the Underwriters have invited certain Institutional Investors to bid for Shares in the Institutional Offer.

The Institutional Offer was an invitation to Australian resident Institutional Investors and other eligible Institutional Investors in jurisdictions outside the United States to bid for Shares, made under this Prospectus.

5.12.2. Allocation policy under Institutional Offer

The allocation of Shares between the Institutional Offer and the Broker Firm Offer was determined by the Company and the Underwriters. The Company and the Underwriters had absolute discretion regarding the basis of allocation of Shares among Institutional Investors and there was no assurance that any Institutional Investor would be allocated any Shares, or the number of Shares for which it has bid.

Participants in the Institutional Offer will be advised of their allocation of Shares, if any, by the Underwriters.

The allocation policy is influenced by a number of factors including:

- the number of Shares bid for by particular bidders;
- the timeliness of the bid by particular bidders;
- the Company's desire for an informed and active trading market following listing on ASX;
- the Company's desire to establish a wide spread of institutional shareholders;
- the overall level of demand under the Broker Firm Offer, and the Institutional Offer;
- the size and type of funds under management of particular bidders;
- the likelihood that particular bidders will be long term shareholders; and
- any other factors that the Company and the Underwriters considered appropriate.

5.12.3. Acknowledgements

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company or a Broker receives a completed Application Form, it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- authorised the Company and the Underwriters and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and tax issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia (except as applicable to the Institutional Offer);

5. Details of the Offer

- acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed.

5.13. Oversubscriptions

The Board will not accept any oversubscriptions.

5.14. Issue

Subject to ASX granting approval for LatAm Autos to be admitted to the Official List, the Issue will occur as soon as possible after the Closing Date. It is the responsibility of Applicants to determine their allocation prior to trading in Shares. Applicants who sell Shares before they receive their Shareholder Statements will do so at their own risk.

LatAm Autos reserves the right, in its absolute discretion, to issue the Shares applied for under any Application in full or to issue any lesser number or to decline any Application. LatAm Autos may in its absolute discretion give preference to certain investors in accepting Applications under the Offer.

5.15. Underwriting arrangements

The Offer is fully underwritten by Canaccord Genuity (Australia) Ltd and Moelis Australia Advisory Pty Limited. The Underwriters and LatAm Autos have entered into an Underwriting Agreement under which the Underwriters have been appointed as arrangers, managers and underwriters of the Offer. The Underwriters agree, subject to certain conditions and termination events, to underwrite Applications for all Shares under the Offer.

The Underwriting Agreement sets out a number of circumstances under which the Underwriters may terminate the agreement and the underwriting obligations. A summary of certain terms of the agreement and underwriting arrangements, including the termination provisions, is provided in Section 9.4.2.

5.16. Restrictions on distribution

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

This Prospectus does not constitute an offer or invitation to subscribe for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed by you in the United States or to or for the account or benefit of US Persons, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

The Shares have not been, and will not be, registered under the US Securities Act 1933 and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act 1933 and any other applicable securities laws.

Each Applicant will be taken to have represented, warranted and agreed as follows:

- It understands that the Shares have not been, and will not be, registered under the US Securities Act 1933 or the securities law of any state of the United States and may not be offered, sold or resold in the United States, or to or for the account or benefit of US Persons, except in a transaction exempt from, or not subject to, registration under the US Securities Act 1933 and any other applicable securities laws;
- It is not in the United States or a US Person, and is not acting for the account or benefit of a US Person;
- It has not and will not send the Prospectus or any other material relating to the Offer to any person in the United States or to any person that is, or is acting for the account or benefit of, a US Person; and
- It will not offer to sell the Shares in the United States or to, or for the account or benefit of, any US Person or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the US Securities Act 1933 and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

5. Details of the Offer

Any offer, sale or resale of the Shares in the United States by a dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act 1933 if made prior to 40 days after the date on which the Offer Price is determined and the Shares are allocated under the Offer or if such Shares were purchased by a dealer under the Offer.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act 1933 and applicable US state securities laws.

5.17. Discretion regarding the Offer

LatAm Autos reserves the right not to proceed with the Offer at any time before the issue of Shares to successful Applicants. If the Offer does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.

LatAm Autos and the Underwriters also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than applied or bid for.

5.18. Listing, registers and holding statements

5.18.1. Application to ASX for listing and quotation of Shares

An application has been made for LatAm Autos to be admitted to the official list of ASX and for official quotation of the Shares on ASX.

The fact that ASX may admit LatAm Autos to the official list of the ASX is not to be taken as an indication of the merits of LatAm Autos or the Shares offered for subscription. Official quotation of Shares, if granted, will commence as soon as practicable after the issue of initial shareholding statements to successful Applicants.

If permission is not granted for the official quotation of the Shares on ASX within 3 months of the Original Prospectus Date, all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

5.18.2. CHESS and holding statements

LatAm Autos will apply for the Shares to participate in CHESS. Applicants who are issued Shares under this Offer will receive Shareholding statements, in lieu of share certificates, setting out the number of Shares issued to each successful Applicant.

The statement will also provide details of the Shareholder's HIN (in the case of a holding on the CHESS sub-register) or SRN (in the case of a holding on the issuer-sponsored sub-register). Shareholders will be required to quote a HIN or SRN, as applicable, in all dealings with a stockbroker or the Share Registry. Further statements will be provided to Shareholders which will reflect any changes in the shareholding in LatAm Autos during a particular month. Additional statements may be requested at any time, although LatAm Autos reserves the right to charge a fee.

5.19. Brokerage, commission and stamp duty

No brokerage, commission or stamp duty is payable by Applicants upon acquisition of the Shares under the Offer. Various fees are payable in relation to the Offer by LatAm Autos to the Joint Lead Managers and its other advisers. Details are set out in section 9.6.

LatAm Autos will not pay any lodgement fee to any Broker on Applications lodged bearing a stamp representing a licensed broker. Each Broker has made or will make its own arrangements for payment of any fees directly with the Joint Lead Managers.

5. Details of the Offer

5.20. Description of Shares

Introduction

The rights and liabilities attaching to ownership of Shares arise from a combination of the Constitution, statute, ASX Listing Rules and general law.

A summary of the significant rights attaching to the Shares and a description of other material provisions of the Constitution is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. This summary assumes that LatAm Autos is admitted to the Official List.

Voting at a general meeting

At a general meeting of LatAm Autos, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held.

Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of LatAm Autos and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and Listing Rules.

Dividends

The Board may from time to time resolve to pay dividends to Shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment. The Directors have no current intention to determine and pay a dividend in the near term.

Transfer of Shares

Subject to the Constitution, Shares may be transferred by a proper transfer in accordance with ASX Settlement Operating Rules, by a written instrument of transfer which complies with the Constitution or by any other method permitted by the Corporations Act, ASX Listing Rules or ASX Settlement Operating Rules.

The Board may refuse to register a transfer where permitted to do so under the Corporations Act, Listing Rules or ASX Settlement Operating Rules. The Board must refuse to register a transfer of Shares when required by the Corporations Act, Listing Rules or ASX Settlement Operating Rules.

Issue of further Shares

Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules and any rights and restrictions attached to a class of shares, LatAm Autos may issue, or grant options in respect of, or otherwise dispose of further Shares on such terms and conditions as the Directors resolve.

Winding up

If LatAm Autos is wound up, then subject to any special resolution or preferential rights or restrictions attached to a class of Shares, any surplus must be divided amongst LatAm Autos' members in the proportion which the amount paid and payable (including amounts credited) on the Shares is the total amount paid and payable (including amounts credited) on the shares of all members of LatAm Autos.

Sale of non-marketable parcels

Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules, LatAm Autos may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.

Share buy-backs

Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules, LatAm Autos may buy back Shares in itself on terms and at times determined by the Board.

Variation of class rights

At present, LatAm Autos' only class of shares on issue is ordinary Shares. LatAm Autos can only vary the rights attached to any class of Shares in accordance with the Corporations Act.

Dividend reinvestment plan

If authorised by resolution of the Company in a general meeting, the Directors may establish a dividend reinvestment plan (under which any member may elect that the dividends payable by LatAm Autos be reinvested by a subscription for securities). The Directors have no current intention to establish a dividend reinvestment plan.

5. Details of the Offer

Directors – appointment and removal

Under the Constitution, the minimum number of Directors that may comprise the Board is three and the maximum is fixed by the Directors but may not be more than eight unless the Shareholders pass a resolution varying that number. Directors are elected at annual general meetings of LatAm Autos. Retirement will occur on a rotational basis so that no Director holds office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the Directors, who will then hold office until the next annual general meeting of LatAm Autos.

Directors – voting

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution where the number of directors voting is more than two, the chairperson of the meeting has a casting vote.

Directors – remuneration

The Directors, other than the executive Director, will be paid by way of fees for services up to the maximum aggregate sum per annum of \$350,000 with the initial remuneration of the non-executive Directors set out in Section 4.3.2. Any change to that maximum aggregate sum needs to be approved by Shareholders in general meeting. The remuneration of the executive Director may be fixed by the Directors from time to time. The Constitution also makes provision for the Company to pay all reasonable expenses of Directors in attending meetings and carrying on their duties.

Indemnity and insurance

LatAm Autos, to the extent permitted by law, indemnifies each Director against any liability incurred by that person as an officer of LatAm Autos or its Related Bodies Corporate, and reasonable legal costs incurred by that person in defending an action for a liability of that person. LatAm Autos, to the extent permitted by law, may pay, or agree to pay, a premium for a contract insuring a Director against any liability incurred by that person as an officer of LatAm Autos or its Related Bodies Corporate and legal costs incurred by that person in defending an action for a liability of that person.

LatAm Autos, to the extent permitted by law, may enter into an agreement or deed with a Director or a person who is, or has been, an officer of LatAm Autos or its Related Bodies Corporate, under which LatAm Autos must do all of the following:

- keep books of LatAm Autos and allow either or both that person and that person's advisers access to those books on the terms agreed;
- indemnify that person against any liability incurred by that person as an officer of LatAm Autos or its Related Bodies Corporate and legal costs incurred by that person in defending an action for a liability of that person;
- make a payment (whether by way of advance, loan or otherwise) to that person in respect of legal costs incurred by that person in defending an action for a liability of that person; and
- keep that person insured in respect of any act or omission by that person while a Director or an officer of LatAm Autos or its Related Bodies Corporate, on the terms agreed (including as to payment of all or part of the premium for the contract for insurance).

Amendment

The Constitution can only be amended by special resolution passed by at least three-quarters of Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of LatAm Autos. LatAm Autos must give at least 28 days written notice of a general meeting of LatAm Autos members.



6.

RISK FACTORS

6. RISK FACTORS

This Section 6 describes some of the potential risks associated with LatAm Autos' business and the industry in which it operates, and the risks associated with an investment in Shares. It does not purport to list every risk that may be associated with LatAm Autos' business or the industry in which it operates, or an investment in Shares now or in the future, and the occurrence or consequences of some of the risks described in this section are partially or completely beyond the control of the Company, the Directors and Company management.

The selection of risks included in this Section 6 has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. The assessment is based on the knowledge of the Directors as at the Prospectus Date, but there is no guarantee or assurance that the importance of different risks will not change or other risks will not emerge.

Before applying for Shares, you should satisfy yourself that you have a sufficient understanding of these matters and should consider if Shares are a suitable investment for you, having regard to your own investment objectives, financial situation and particular needs (including financial and tax issues). If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in Shares, it is recommended that you seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

6.1. Risks specific to an investment in LatAm Autos

6.1.1. Decline in online auto classifieds market and expenditure in Latin America

The online auto classifieds market in Latin America is subject to factors outside the control of the Company. These factors include the general market outlook for economic growth and interest rates. If growth in these markets slows down, if these markets contract, or if expenditure on online auto classifieds decreases, the Company may be unable to meet its business objectives.

6.1.2. Decline in economic growth and automotive ownership in Latin America

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

6.1.3. Completion of Demotores business acquisition (Mexico and Peru)

LatAm Autos has entered into an option agreement with Dridco Luxembourg S.A., Dridco Holding, LLC, Dridco Mexico S.A. de C.V. and Intangible Assets LLC (**Dridco Parties**) under which certain of the Dridco Parties granted LatAm Autos an irrevocable option to acquire its online auto classifieds business and associated assets in Mexico and Peru, including the websites: 'www.demotores.com.mx' and 'www.demotores.com.pe' (see Section 9.4.1). LatAm Autos proposes to exercise the option immediately after Completion of the Offer. The Company intends to complete the acquisition as soon as practicable thereafter.

Due to circumstances beyond the control of LatAm Autos, its Directors and management team, it is possible that the Demotores (Mexico and Peru) acquisition may not ultimately close or that closing of the acquisition may be delayed. This could materially impact LatAm Autos' future earnings but would also result in additional capital for other future acquisitions by LatAm Autos.

6.1.4. Decline in growth of internet penetration, rate of migration online and rate of improvement of internet infrastructure

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

6. Risk Factors

6.1.5. Managing rapid growth

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

6.1.6. Increased competition

Internet businesses have low barriers to entry. Current or new competitors may adopt certain aspects of the Company's business model without great financial expense, thereby reducing the Company's ability to differentiate its services. Competition may arise from a number of sources. It may include companies from traditional media, such as print media auto classifieds, that may have greater capital resources than the Company. Competition may also arise from global online classified companies and/or online auction platforms with developed processes, systems, and technology. There may also be an increase in online auto or general classified companies who gain market share by providing listing services free of charge. Any significant competition may adversely affect the Company's ability to meet its business objectives.

6.1.7. Foreign currency risk

LatAm Autos derives approximately 100% of its revenue and incurs a significant proportion of its costs from its activities in geographies outside Australia namely Argentina, Mexico, Ecuador, Peru, Panama and Bolivia. Such exposure could have a material adverse impact on LatAm Autos' Australian dollar denominated financial results and cash flows.

6.1.8. Integration of acquired businesses and execution of new acquisitions

(a) Integration of acquired businesses

LatAm Autos has come into existence through the acquisition of businesses and assets in Argentina, Mexico, Ecuador, Panama, Bolivia and Peru. Acquisitions present significant challenges and risks relating to the integration of each business into one holistic business.

The acquired businesses could consume a disproportionately large proportion of management time and attention during integration, and the acquisitions may fail to meet the strategic objective of generating the anticipated improvement in financial performance. LatAm Autos undertook financial, legal, business and other analysis in respect of its acquisitions, and expects to do so in respect of any future acquisitions. It is possible that such analysis drew (or will draw) conclusions and forecasts that were (or may be) inaccurate, or which will not be realised in due course, which may in turn adversely affect LatAm Autos' future financial performance.

(b) Execution of new acquisitions

LatAm Autos' may pursue acquisition opportunities from time to time as part of its overall strategy. LatAm Autos may not be successful in identifying future acquisition opportunities, assessing the value, strengths and weaknesses of these opportunities and finalising acquisitions on acceptable terms. In addition, LatAm Autos may compete for certain acquisition targets with companies having greater financial resources than it does. Any future proposals to expand by acquisition may be affected by other factors beyond the control of the Company, the Directors and Company management (including without limitation, commercial or regulatory changes), which may result in there being limited or unsuitable acquisition opportunities at the relevant time.

If LatAm Autos identifies future acquisition opportunities, it may need to raise further capital including by issuing Shares. If it issues further Shares, this has the potential to dilute Shareholders.

6.1.9. Print industry trends

While LatAm Autos is focused on online automotive listings, the Company also sells print listings through its AutoFoco classifieds magazine. Print listings in AutoFoco's classifieds magazine comprised approximately 29% of LatAm Autos' revenue in 1HY2014 (see Section 1.1 & Section 2.3.1).

LatAm Autos intends to migrate the readership of the AutoFoco classifieds magazine to AutoFoco's online auto classifieds. There is a risk that as LatAm Autos seeks to migrate its readership online, the revenue from AutoFoco's online auto listings does not increase as quickly or as much as the reduction in revenue from print listings in AutoFoco's classifieds magazine.

6.1.10. Adjusting strategy for differing local markets

LatAm Autos will operate across multiple markets in Latin America and has a broad company strategy. If LatAm Autos is not able to adapt and tailor its strategy to meet the particular needs of each market it may not be able to maximise its financial performance

6. Risk Factors

and growth in each market. This is particularly relevant in relation to LatAm Autos' marketing strategy, as each market has differing sensitivities to marketing methods and channels.

6.1.11. Balancing the level of investment in each market

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

6.1.12. Retaining key employees

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

6.1.13. Recruiting new employees

LatAm Autos' business depends on successfully hiring relevantly skilled employees, including computer programmers and software engineers to develop new products and maintain existing ones, and sales personnel to generate revenue and maintain commercial relationships. LatAm Autos' ability to meet its labour needs while controlling costs associated with hiring and training employees is subject to external factors such as unemployment rates, prevailing wage legislation and changing demographics. Changes that adversely impact LatAm Autos' ability to attract quality employees could adversely affect its future financial performance.

6.1.14. New technology and investment in product development and maintenance

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

6.1.15. Government regulations and political instability

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

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

6.1.16. Relationship with vehicle dealers and manufacturers

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

6. Risk Factors

6.1.17. Data loss, theft or corruption

LatAm Autos provides a material amount of its services online through a range of websites. Hacking or exploitation of some unidentified vulnerability in its websites could lead to loss, theft or corruption of data.

This could render the websites unavailable for a period of time while data is restored. It could also lead to unauthorised disclosure of users' data, with associated reputational damage, claims by users and regulatory and scrutiny fines.

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

6.1.18. Hacker attacks

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

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

6.1.19. New business with no trading history

LatAm Autos has a short operating history and has never operated as a consolidated entity. Accordingly, to date the Company has never developed, managed or operated an automotive content or online auto classifieds business.

Within the Board and executive management team there is substantial experience in operating online businesses in Latin America, however there can be no assurance that LatAm Autos will experience results similar to those achieved by other companies or projects in which the Directors and management have been involved in the past.

The Shares have not been previously listed. Consequently, there is no trading history in the Shares and, therefore no indicator of how the Shares will trade in the secondary market or the liquidity of the market.

6.1.20. Intellectual property rights

LatAm Autos regards substantial elements of its websites, software tools, applications, databases and underlying technology as proprietary. Despite precautionary measures, third parties may copy or otherwise obtain and use LatAm Autos' proprietary information without authorisation or may develop similar technology independently. In addition, competitors may be able to design around LatAm Autos' technology or develop competing technologies substantially similar to those of LatAm Autos without any infringement of LatAm Autos' proprietary rights. Any legal action that LatAm Autos may bring to protect its proprietary information could be unsuccessful and expensive and would divert management's attention from its business operations.

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

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

6.1.21. Local labour laws

Most of LatAm Autos' key management personnel, consultants and employees are engaged or employed in Latin American jurisdictions. Labour laws in those jurisdictions are different to Australia and accordingly employers may be subject to different duties and obligations to their employees than is the norm in Australia. Some of the jurisdictions have more onerous termination provisions which may cause LatAm Autos expense should it decide to restructure aspects of its business as it takes over control and management of, and integrates, newly acquired businesses.

6. Risk Factors

6.1.22. Country specific director requirements

Subsidiaries which are located in Latin America are subject to the corporate governance regimes of their jurisdiction. In particular, there is a legal requirement in Argentina for a majority of the directors of an Argentinean company to be domiciled in Argentina. To fulfil this requirement, the Company has nominated its COO to be the sole director of its two Argentinean Subsidiaries, and may in the future elect employees of its Argentinian business to be directors of the Board. There is a potential risk that the Company's nominees do not have the necessary expertise to fulfil this role or that they may act contrary to the directions of the Company.

6.2. General risks

6.2.1. Price of Shares

Once LatAm Autos becomes a publicly-listed company on ASX, it will be subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in its Share price that are not explained by the fundamental operations and activities of LatAm Autos.

The price at which Shares are quoted on ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Offer Price. There is no assurance that the price of the Shares will increase following the commencement of quotation on ASX, even if LatAm Autos' earnings increase.

Some of the factors which may affect the price of the Shares include fluctuations in the domestic and international market for listed securities, general economic conditions including interest rates, inflation rates, exchange rates, consumer sentiment, commodity and oil prices, changes to government fiscal, monetary or regulatory policies and settings, changes in legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which LatAm Autos operates and general operational and business risks.

6.2.2. Trading and liquidity in Shares

There can be no guarantee that an active market in the Shares will develop. There may be relatively few potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price that Shareholders paid for their Shares under the Offer.

Following Listing, it is expected that 70.79% of the Shares will be restricted (see Section 5.8.13), which may impact on liquidity. Holders of these shares have entered into restriction agreements with the Company in relation to all of their restricted Shares, as described in Section 5.8.13. The absence of any sale of restricted Shares during this period may cause, or at least contribute to, limited liquidity in the market for the Shares. This could affect the prevailing market price at which Shareholders are able to sell their Shares. It is important to recognise that, on a disposal, Shareholders may receive a market price for their Shares that is less than the price that they paid under the Offer.

Following release from restrictions imposed on certain shares, holders of such shares will be able to freely trade those Shares on ASX. A significant sale of Shares by such holders, or the perception that such sales have occurred or might occur, could adversely affect the price of Shares.

6.2.3. Shareholder dilution

In the future, LatAm Autos may elect to issue Shares or other securities. While the Company will be subject to the constraints of the Listing Rules regarding the issue of Shares or other securities, Shareholders may be diluted as a result of such issues of Shares or other securities.

6.2.4. Force majeure events

Events may occur within or outside the markets in which LatAm Autos operates that could impact upon the global or Latin American economies, the operations of LatAm Autos and/or the price of the Shares. The events include, but are not limited to, acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for LatAm Autos' product offering and services and its ability to conduct business.



7.

FINANCIAL INFORMATION

7. FINANCIAL INFORMATION

7.1. Introduction to financial information

References in this section to LatAm Autos are intended to encompass the LatAm Combined Group (as defined below) unless the context requires otherwise. Investors should refer to Section 7.6.6 for an overview of all LatAm Autos' entities. Investors should note that LatAm Autos' financial year ends on 31 December.

The Financial Information contained in Sections 7.3, 7.4 and 7.5 comprises the following:

- Statutory historical financial information for LatAm Autos Limited, being the:
 - LatAm Autos Limited statutory income statement for the period ended 30 June 2014;
 - LatAm Autos Limited statutory historical balance sheet as at 30 June 2014; and
 - LatAm Autos Limited statutory historical cash flow for the period ended 30 June 2014.

LatAm Autos Limited being a company formed on 11 April 2014 for the purposes of facilitating acquisitions, fund raisings and the Offer.

- Pro Forma Historical Financial Information for LatAm Autos, being:
 - The pro forma historical aggregated income statements for the years ended 31 December 2012 and 31 December 2013, and the six month period ended 30 June 2014;
 - The pro forma historical aggregated balance sheet as at 30 June 2014; and
 - The pro forma historical aggregated cash flows for the years ended 31 December 2012 and 31 December 2013, and the six month period ended 30 June 2014;

together the pro forma historical aggregated financial information.

The acquisitions of the Avisoriaweb S.A., ASA, and ASAH companies, and the business and assets of todoautos.com.pe, seminuevos.com, demotores.com.mx and demotores.com.pe (**The LatAm Acquisitions**) which were not historically controlled by LatAm Autos Limited but will form part of the combined group, have been included in the pro forma historical aggregated financial information, as if the businesses had been owned by LatAm Autos Limited since 1 January 2012 (with the exception of the pro forma adjusted balance sheet, which has assumed an acquisition date of 30 June 2014 for The LatAm Acquisitions).

The acquisition of demotores.com.mx and demotores.com.pe is subject to the exercise by LatAm Autos of the Demotores Agreement (refer to section 9.4.1 for further details). LatAm Autos has the option, but not the obligation to acquire the Demotores business and assets in Mexico and Peru, and intends to exercise that option at Completion of the Offer. The numbers presented in the pro forma historical aggregated financial information have assumed that the option was exercised and the acquisition occurred from 1 January 2012 (with the exception of the pro forma adjusted balance sheet, which has assumed an acquisition date of 30 June 2014 for The LatAm Acquisitions).

The historical financial information for each of The LatAm Acquisitions was reviewed in accordance with ASAE 3450, in particular the procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures to the accounting records in support of the Financial Information. The findings of the review and process undertaken for each LatAm Acquisition was reported to LatAm Autos and formally presented to LatAm Autos and the Directors, who satisfied themselves that the enquiries were appropriate and sufficient. This review was also supported by operational and commercial due diligence of each LatAm Autos Acquisition by LatAm Autos management. The Directors believe that a rigorous review process was undertaken in respect of the historical financial information for each LatAm Acquisition and accordingly, that the Financial Information presented in the Prospectus is not misleading or deceptive nor omits any information material to investors or their advisors.

An adjusted pro forma aggregated historical balance sheet as at 30 June 2014 has been prepared to reflect the pro forma historical aggregated balance sheet, adjusted to give effect to:

- The issue of shares pre-Completion of the Offer and at Completion of the Offer;
- Payment of cash and shares to fund The LatAm Acquisitions;
- The recognition of deferred consideration to account for deferred payments;
- The recognition of intangible assets and goodwill arising as a result of the LatAm Acquisitions; and
- The anticipated costs of the Offer.

These sections should be read in conjunction with the following:

- The summary of significant accounting policies in Section 7.6.1;
- The Investigating Accountant's Report as set out in Section 8; and
- The risk factors set out in Section 6.

7. Financial Information

7.2. Basis of preparation of the pro forma aggregated financial information

The pro forma historical aggregated financial information of LatAm Autos has been compiled from audited financial information of LatAm Autos Limited for the period ended 30 June 2014, ASA and ASAH for the years ended 31 December 2012 and 31 December 2013, and from unaudited financial information for the six month period to 30 June 2014, and unaudited financial information for all periods for the other acquisitions. The Pro Forma Historical Financial Information has been prepared under the measurement and recognition requirements (but not the disclosure requirements) of Australian Accounting Standards.

LatAm Autos' presentation currency is Australian Dollars. The functional currencies of LatAm Autos' subsidiaries are, in Ecuador the US Dollar, in Argentina the Argentine Peso, in Peru the Peruvian Sol and in Mexico the Mexican Peso. For the purposes of the pro forma historical aggregated financial statements of LatAm Autos, the results, financial position and cash flows of each entity are expressed in Australian Dollars, which is the presentation currency for the pro forma historical aggregated financial statements.

The pro forma historical aggregated financial information includes LatAm Autos Limited, LatAm Autos Holdings Pty Limited and the LatAm Acquisitions.

A copy of the Investigating Accountant's Report is included in Section 8.

7.2.1. Acquisition accounting

With respect to the LatAm Acquisitions, LatAm Autos has performed a provisional assessment of the fair value of the assets, liabilities and contingent liabilities as at the date of the acquisition. For the purposes of the pro forma historical aggregated balance sheet, the assets and liabilities have been recorded at their provisional fair values and the excess of the consideration paid over the fair values has been allocated to respective classes of intangible assets. Under Australian Accounting Standards, LatAm Autos has up to 12 months from the date of acquisition to complete its initial acquisition accounting. LatAm Autos has already commenced this exercise to consider the fair value of intangible assets acquired in the acquisitions. Any adjustments to the fair values, including associated tax adjustments, will have an equal and opposite impact on the goodwill recorded on acquisition. Accordingly, any such adjustments will have no impact on the aggregate of the net assets or LatAm Autos' net profit after tax with the exception of any amortisation charges.

A description of the nature of potential intangible assets which may be identified and the acquisition accounting process is set out below.

In accordance with AASB 3 *Business Combinations*, all of the subsidiaries' identifiable assets, liabilities and contingent liabilities, including intangible assets, must be identified and valued. The purchase price is then allocated across the fair value of these assets, liabilities and contingent liabilities with any residual allocated to goodwill.

The valuation of intangible assets is a complex and time consuming process that may require specialist skills and detailed information about the business, which are currently not available to LatAm Autos.

The examples provided below are not intended to be an exhaustive list of items acquired in a business combination that meet the definition of an intangible asset. However they provide some indication of the types of intangibles that may be acquired as part of the acquisitions:

- Trademarks and trade names;
- Internet domain names;
- Computer software; and
- Customer contracts and the related customer relationships.

In addition, there are specific rules regarding the calculation of the fair values of assets, liabilities and contingent liabilities acquired. These rules may significantly vary the historical costs of the assets and liabilities acquired and significantly impact the profitability of the business going forward.

7. Financial Information

7.3. Statutory and pro forma historical aggregated income statement

7.3.1. Statutory and pro forma historical aggregated income statement

The pro forma historical aggregated income statement presents the aggregated historical financial performance of LatAm Autos Limited, LatAm Autos Holding Pty Limited and the LatAm Acquisitions to reflect the assumption that LatAm Autos acquired these businesses on 1 January 2012.

No adjustment has been made in the pro forma historical aggregated income statement for corporate costs associated with LatAm Autos operating as a listed company. However, the Directors estimate that the additional corporate costs incurred as a listed company will be approximately \$650,000 per annum (excluding the one-off listing cost of \$125,000 which has already been paid).

The table below sets out the pro forma historical aggregated income statement and the statutory historical income statement.

Table 1 – Statutory and pro forma historical aggregated income statement

A\$	Pro Forma Historical Aggregated 31-Dec-2012 12 months	Pro Forma Historical Aggregated 31-Dec-2013 12 months	Statutory Historical 30-Jun-2014 Period*	Pro Forma Historical Aggregated 30-Jun-2014 6 months
Revenue	7,046,158	6,578,836	7,831	2,947,775
Staff costs	(3,387,542)	(3,255,528)	–	(1,800,172)
Marketing expenses	(1,587,774)	(1,191,264)	–	(525,440)
General administration expenses	(1,623,083)	(1,544,470)	(148,773)	(875,645)
Other expenses	(609,755)	(444,550)	(23,170)	(384,367)
Total expenses	(7,208,154)	(6,435,812)	(171,943)	(3,585,623)
EBITDA	(161,996)	143,024	(164,112)	(637,848)
Depreciation & amortisation	(219,288)	(213,512)	–	(114,495)
Tax	(199,122)	(200,418)	–	(51,459)
Net profit after tax	(580,406)	(270,906)	(164,112)	(803,803)

*LatAm Autos was formed on 11 April 2014, and hence the results are for the period from inception to 30 June 2014.

7. Financial Information

7.3.1.1. Pro forma historical splits by company and business acquisitions

Outlined below is a split of the pro forma historical aggregated income statement into the companies acquired in Argentina (Table 2), the business acquisition in Mexico (Seminuevos) (Table 3) and the Demotores Agreement (Table 4), the companies acquired in Ecuador (Table 5), the business acquired in Peru (Table 6) and LatAm Autos Limited (Table 7).

Table 2 – Split of the Pro forma historical aggregated income statement – Argentina (AutoFoco)

A\$	Split of the Pro Forma Historical Aggregated 31-Dec-2012 12 months	Split of the Pro Forma Historical Aggregated 31-Dec-2013 12 months	Split of the Pro Forma Historical Aggregated 30-Jun-2014 6 months
Revenue	5,022,720	4,017,477	1,338,541
Staff costs	(2,571,678)	(2,333,428)	(1,190,335)
Marketing expenses	(734,368)	(388,371)	(467)
General administration expenses	(1,142,209)	(830,075)	(337,073)
Other expenses	(243,701)	(175,844)	(174,164)
Total Expenses	(4,691,956)	(3,727,718)	(1,702,039)
EBITDA	330,764	289,759	(363,498)
Depreciation & amortisation	(210,051)	(198,738)	(85,450)
Tax	(146,894)	(115,263)	–
Net profit after tax	(26,181)	(24,242)	(448,948)

Pro forma adjustments reflected in the Argentina aggregation are as follows:

- Tax expense has been adjusted to reflect the adjustment of interest expense.

Table 3 – Split of the pro forma historical aggregated income statement – Mexico (Seminuevos.com)

A\$	Split of the Pro Forma Historical Aggregated 31-Dec-2012 12 months	Split of the Pro Forma Historical Aggregated 31-Dec-2013 12 months	Split of the Pro Forma Historical Aggregated 30-Jun-2014 6 months
Total Revenue	185,352	230,693	166,382
Staff costs	(95,665)	(85,697)	(63,964)
Marketing expenses	(823)	(1,512)	(1,000)
General administration expenses	(146,166)	(45,950)	(20,904)
Other expenses	–	–	–
Total Expenses	(242,654)	(133,159)	(85,868)
EBITDA	(57,302)	97,534	80,514
Tax	–	(29,260)	(24,155)
Net profit after tax	(57,302)	68,274	56,359

Pro forma adjustments reflected in Seminuevos are as follows:

- Tax expense has been adjusted to reflect an average tax expense of 30% for Seminuevos as these operations were profitable throughout the historical periods.

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Table 4 – Split of the pro forma historical aggregated income statement – Mexico (Demotores)

A\$	Split of the Pro Forma Historical Aggregated 31-Dec-2012 12 months	Split of the Pro Forma Historical Aggregated 31-Dec-2013 12 months	Split of the Pro Forma Historical Aggregated 30-Jun-2014 6 months
Revenue	1,055,235	1,210,173	606,683
Staff Costs	(400,563)	(285,114)	(98,351)
Marketing	(672,130)	(589,998)	(350,307)
General administration	(257,989)	(562,944)	(302,789)
Other Expenses	(343,339)	(217,477)	(114,927)
Total Expenses	(1,674,021)	(1,655,533)	(866,374)
EBITDA	(618,786)	(445,360)	(259,691)
Tax	–	–	–
Net profit after tax	(618,786)	(445,360)	(259,691)

Pro forma adjustments reflected in Demotores are as follows:

- No tax benefit has been taken up for Demotores as a result of the losses generated.

Table 5 – Split of the pro forma historical aggregated income statement – Ecuador (PatioTuerca)

A\$	Split of the Pro Forma Historical Aggregated 31-Dec-2012 12 months	Split of the Pro Forma Historical Aggregated 31-Dec-2013 12 months	Split of the Pro Forma Historical Aggregated 30-Jun-2014 6 months
Revenue	657,719	831,018	664,585
Staff costs	(270,418)	(458,370)	(395,728)
Marketing expenses	(180,454)	(211,383)	(173,667)
General administration expenses	(56,049)	(61,228)	(45,526)
Other expenses	(13,105)	(47,198)	(71,742)
Total Expenses	(520,026)	(778,179)	(686,663)
EBITDA	137,693	52,839	(22,078)
Depreciation & amortisation	(9,236)	(14,775)	(29,045)
Tax	(38,537)	(11,419)	–
Net profit after tax	89,920	26,645	(51,123)

Pro forma adjustments reflected in Ecuador are as follows:

- Tax expense has been adjusted to reflect the adjustment of interest expense; and
- The Ecuadorian company results have been adjusted to reflect only the continuing operations of the business going forward.

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Table 6 – Split of the pro forma historical aggregated income statement – Peru (TodoAutos)

A\$	Split of the Pro Forma Historical Aggregated 31-Dec-2012 12 months	Split of the Pro Forma Historical Aggregated 31-Dec-2013 12 months	Split of the Pro Forma Historical Aggregated 30-Jun-2014 6 months
Total Revenue	125,132	289,474	163,753
Staff costs	(49,218)	(92,920)	(51,793)
Marketing expenses	–	–	–
General administration expenses	(20,669)	(44,274)	(20,580)
Other expenses	(9,610)	(4,030)	(364)
Total Expenses	(79,497)	(141,224)	(72,737)
EBITDA	45,635	148,250	91,016
Tax	(13,690)	(44,475)	(27,305)
Net profit after tax	31,945	103,775	63,711

Pro forma adjustments reflected in TodoAutos are as follows:

- Tax expense has been adjusted to reflect an average tax expense of 30% in Peru as these operations were profitable throughout the historical periods.

Table 7 – Split of the pro forma historical aggregated income statement – LatAm Autos Limited

A\$	Split of the Pro Forma Historical Aggregated 31-Dec-2012 12 months	Split of the Pro Forma Historical Aggregated 31-Dec-2013 12 months	Split of the Pro Forma Historical Aggregated 30-Jun-2014 6 months
Total Revenue	–	–	7,831
Staff costs	–	–	–
Marketing expenses	–	–	–
General administration expenses	–	–	(148,773)
Other expenses	–	–	(23,170)
Total Expenses	–	–	(171,943)
EBITDA	–	–	(164,112)
Tax	–	–	–
Net profit after tax	–	–	(164,112)

Pro forma adjustments reflected in LatAm Autos Limited are as follows:

- Interest expense has not been taken up in the pro forma results as there is no debt financing in place.

7. Financial Information

7.3.2. Comments to the pro forma historical aggregated income statement

The table below provides a breakdown of the revenue by business for the three historical periods:

Table 8 – Historical pro forma revenue by business

A\$	Actual CY2012	Actual CY2013	Actual 1HY2014	Growth for CY2013
Argentina (AutoFoco)	5,022,720	4,017,477	1,338,541	(20%)
Mexico (Seminuevos)	185,352	230,693	166,382	24%
Mexico (Demotores)	1,055,235	1,210,173	606,683	15%
Ecuador (PatioTuerca)	657,719	831,018	664,585	26%
Peru (TodoAutos)	125,132	289,475	163,753	131%
LatAm Autos Limited	–	–	7,831	–
Total pro forma revenue	7,046,158	6,578,836	2,947,775	(7%)

7.4. Statutory and pro forma historical aggregated balance sheet

7.4.1. Statutory and pro forma historical aggregated balance sheet

The pro forma historical aggregated balance sheet of LatAm Autos is based on the statutory audited accounts of LatAm Autos Limited and LatAm Autos Holdings Pty Limited and the unaudited management accounts of ASA, ASAH and Avisoriaweb S.A., and the business acquisitions in Peru (TodoAutos) and Mexico (Seminuevos and Demotores).

7. Financial Information

The table below sets out the pro forma historical aggregated and adjusted balance sheets and the statutory historical balance sheet.

Table 9 – Statutory and pro forma historical aggregated balance sheet

A\$	Statutory Historical Balance Sheet 30-June-2014	Pro Forma Historical Aggregated 30-Jun-2014	Pro Forma Adjustments ¹	Pro Forma Historical Aggregated (Adjusted) 30-Jun-2014
Current assets				
Cash at bank	2,890,482	3,060,196	10,754,116	13,814,312
Account receivable	5,968	304,517	–	304,517
Other assets	–	185,114	312,797	497,911
Total current assets	2,896,450	3,549,827	11,066,914	14,616,740
Non-current assets				
Property, plant & equipment	–	302,886	–	302,886
Intangible assets ²	–	24,320	22,762,198	22,786,518 ²
Other non-current assets	–	285,860	986,423	1,272,283
Total non-current assets	–	613,066	23,748,622	24,361,687
Total assets	2,896,450	4,162,893	34,815,535	38,978,427
Current liabilities				
Accounts payable	7,562	989,220	–	989,220
Deferred consideration	–	–	782,269	782,269
Income taxes payable	–	5,030	–	5,030
Other current liabilities	3,000	607,820	–	607,820
Total current liabilities	10,562	1,602,070	782,269	2,384,339
Total non-current liabilities	–	–	–	–
Total liabilities	10,562	1,602,070	782,269	2,384,339
Net assets/(liabilities)	2,885,888	2,560,823	34,033,266	36,594,088
Equity				
Issued capital	3,050,000	3,583,603	35,630,597	39,214,200
Retained profits/(losses)	(164,112)	(1,022,780)	(1,597,332)	(2,620,112)
Total equity	2,885,888	2,560,823	34,033,266	36,594,088

Notes:

1. Refer to table 12 in Section 7 of the prospectus for details of the Cash at bank adjustments
2. Refer to table 18 in Section 7 of the prospectus for details of intangible assets

7. Financial Information

7.4.2. Pro forma adjustments to the pro forma historical aggregated balance sheet

The pro forma adjustments made to the pro forma historical aggregated balance sheet of LatAm Autos Limited as at 30 June 2014 (being the most recently reviewed balance sheet) reflect the following events and assumptions:

- Cash has been adjusted by \$10,754,116 (refer table 12 of Section 7) as a result of the following:
 - Recognition of pre-Offer funding of \$12,225,000 less associated costs, raised post 30 June 2014 balance sheet date but before the completion of the Offer;
 - Recognition of expected Offer proceeds of \$18,000,000 less associated costs; and
 - To reflect the actual acquisitions which have occurred pre-Offer and the acquisitions that will occur on Completion of the Offer.
- Intangible assets has been adjusted to reflect the fair value of intangible assets acquired pre-Offer and expected to be acquired on completion of the successful Offer as if the acquisitions had occurred on 30 June 2014, using the exchange rate and balance sheet as of that date.
- Other current assets and other non-current assets have been adjusted to reflect the present value of the VAT paid and the VAT payable as part of the LatAm Acquisitions, which will be able to be offset against the VAT received on future revenues.
- Deferred consideration is payable on the acquisitions of Seminuevos and TodoAutos, the adjustment reflects the consideration to be paid.
- Issued capital has been adjusted by \$35,630,597 to reflect the following (refer table 13 of Section 7):
 - Gross proceeds from pre-Offer funds raised of \$12,225,000 less costs associated with the offering;
 - Gross proceeds received on Completion of the Offer of \$18,000,000 less costs associated with the offering; and
 - The issuance of shares at fair value as consideration for completion of acquisitions

7.4.3. Comments on the pro forma historical aggregated balance sheet

The key items included in the pro forma historical aggregated balance sheet as at 30 June 2014 are:

- Cash reflecting the balance of funds raised prior to 30 June 2014 less costs associated with the LatAm Acquisitions;
- Accounts receivable mainly relating to funds receivable from customers including dealerships, individuals and advertisers;
- Property, plant & equipment relating to general plant & equipment such as computers, servers desks, and other general fixed assets; and
- Accounts payable relating to payments due to suppliers for services incurred in the ordinary course of business.

7.5. Statutory and pro forma historical aggregated cash flows

7.5.1. Statutory and pro forma historical aggregated cash flows

The pro forma historical aggregated cash flows presents the aggregated historical financial cash flows of LatAm Autos Limited (audited) for the period ended 30 June 2014, ASA (audited) and ASAH (audited) for the years ended 31 December 2012 and 31 December 2013.

The pro forma historical aggregated cash flows also include:

- Unaudited cash flows of ASA and ASAH for the period ended 30 June 2014;
- Avisoriaweb S.A., todoautos.com.pe, seminuevos.com, and demotores.com.mx for the historical periods.

The above also includes adjustments to reflect the assumption that LatAm Autos acquired these subsidiaries on 1 January 2012.

7. Financial Information

The table below sets out the pro forma historical aggregated cash flows and the statutory historical cash flows.

Table 10 – Statutory and pro forma historical aggregated cash flows

A\$	Pro Forma Historical Aggregated ¹ 31-Dec-2012 12 months	Pro Forma Historical Aggregated ² 31-Dec-2013 12 months	Statutory Historical Cash Flows 30-Jun-2014 80 days *	Pro Forma Historical Aggregated ³ 30-Jun-2014 6 months
Net profit/(loss) after tax	(580,406)	(270,906)	(164,112)	(803,803)
Depreciation and amortisation	219,288	213,512	–	114,495
Purchase of tangible assets	(95,908)	(163,810)	–	–
Variations of provisions	104,754	71,223	–	–
Movements in working capital	(67,689)	(290,710)	4,594	395,455
Cash flow before financing and tax	(419,961)	(440,691)	(159,518)	(293,853)
Taxation paid	(134,515)	(40,098)	–	(22,277)
Net cash flow	(554,476)	(480,789)	(159,518)	(316,130)

*LatAm Autos was formed on 11 April 2014. Due to this the results are for the period from inception to 30 June 2014.

1. Cash flows for the year ended 31 December 2012 are based on ASAH and ASA consolidated audited accounts.

2. Cash flows for the year ended 31 December 2013 are based on consolidated audited cash flows for ASAH and ASA with pro forma adjustments to reflect the estimated cash flows of the other acquisitions.

3. Cash flows for the period ended 30 June 2014 are based on the unaudited financials of the LatAm Acquisitions and the audited financials of LatAm Autos Limited.

7.5.2. Purchase consideration summary

The table below is provided to summarise the cash paid and shares issued for the LatAm Acquisitions.

Table 11 – Purchase consideration summary

A\$	
Consideration to be paid comprises:	
Cash paid prior to Listing ¹	8,895,082
Other consideration on acquisitions prior to Listing	72,856
Total consideration prior to Listing	8,967,938
Consideration Shares to be issued on Listing	7,108,200
Total consideration on or about Listing	7,108,200
Demotores cash to be paid post Listing ¹	5,346,021
Other consideration on Demotores Agreement post Listing ¹	256,919
Cash to be paid 6 months after closing (being April 2015) ²	481,985
Cash to be paid 12 months after closing (being October 2015) ³	265,675
Other consideration post Listing	10,395
Total consideration post Listing	6,360,995
Total consideration	22,437,133

Notes:

1. Assumes conversion at AUD:USD rate at 30 June 2014 of 1:0.9246

2. Assumes conversion of payments under the TodoAutos Acquisition Agreement at AUD:PEN rate at 30 June 2014 of 1:2.6348, and payments under the Seminuevos Acquisition Agreement at AUD:USD rate at 30 June 2014 of 1:0.9246

3. Assumes conversion at AUD:PEN rate at 30 June 2014 of 1:2.6348

7. Financial Information

7.5.3. Cash

Table 12 – Cash reconciliation

A\$	
Cash is reconciled as follows:	
Opening balance cash held at 30 June 2014	3,060,196
Receipt of proceeds of pre-Offer funding	12,225,000
Payment of costs associated with the pre-Offer funding and working capital	(1,900,000)
Cash paid as consideration for acquisitions prior to Listing	(8,895,082)
Cash paid for VAT on acquisitions prior to Listing	(749,418)
Receipt of proceeds of Offer under this Prospectus	18,000,000
Payment of costs associated with the Offer	(1,725,000)
Cash to be paid to Demotores as soon as practicable following Completion of the Offer	(5,346,021)
Cash to pay for VAT on the Demotores acquisition	(855,363)
Subtotal pro forma adjustment	10,754,116
Cash held as per the pro forma historical aggregated balance sheet	13,814,312

7.5.4. Issued capital

Table 13 – Issued capital

	Number of Shares	A\$
Shares on incorporation	50,000,000	50,000
Shares on issue prior to Listing	106,128,166	15,106,000
Shares issued under this Prospectus	60,000,000	18,000,000
Less capitalised transaction costs	–	(1,050,000)
Total at date of Listing (pre-settlement of acquisitions)	216,128,166	32,106,000
Shares to be issued on Listing	23,694,000	7,108,200
Total at date of Listing (post-settlement of acquisitions)	239,822,166	39,214,200

7. Financial Information

7.6. Notes to the pro forma historical aggregated financial information

7.6.1. Summary of significant accounting policies

Basis of accounting

The financial information has been prepared in accordance with the measurement and recognition requirements (but not all the disclosure requirements) of Australian Accounting Standards.

The financial information has been prepared on the basis of historical cost and on an ongoing concern basis.

Principles of aggregation

The aggregated financial information comprises the financial information of LatAm Autos Limited and its subsidiaries (LatAm Combined Group). A list of entities owned and controlled within the LatAm Combined Group post Completion of the Offer is as follows:

- LatAm Autos Limited
- LatAm Autos Holdings Pty Limited
- LatAm Autos Peru S.A.C.
- Latamautos Mexico S de R.L. de C.V.
- Anuntis Segundamano Argentina Holdings S.A.
- Anuntis Segundamano Argentina S.A.
- Avisoriaweb S.A.
- Latamautos Corporación S.A.

Information from subsidiaries is included from the date (deemed to be 1 January 2012 for the pro forma historical aggregated financial information) the parent obtains control until such time as control ceases. Subsidiary acquisitions are accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets, liabilities and contingent liabilities assumed at the date of acquisition. In preparing the aggregated financial information, all inter-company balances and transactions, income and expenses and profit and losses resulting from intra-group transactions, have been eliminated in full. The financial information of subsidiaries is prepared for the same reporting period as the parent using consistent accounting policies.

LatAm Autos' presentation currency is Australian Dollars. The functional currency of the LatAm Autos subsidiaries in Ecuador is the US Dollar, in Argentina is the Argentine Peso, in Mexico is the Mexican Peso and in Peru is the Peruvian Sol, none of which is the currency of a hyper-inflationary economy. For the purposes of the aggregated financial statements of LatAm Autos, the results and financial position of each entity is expressed in Australian Dollars, which is the presentation currency for the aggregated financial statements.

On aggregation, the assets and liabilities of the LatAm Combined Group's foreign operations are translated into Australian Dollars at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed.

7. Financial Information

Exchange rates used in translating the pro forma historical aggregate financial statements are as follows:

Table 14 – Exchange rates used

Argentina (Peso)	Spot Rate	Yearly Average Rate
31 December 2012	AUD 1: ARS 5.09	AUD 1: ARS 4.75
31 December 2013	AUD 1: ARS 5.75	AUD 1: ARS 5.42
30 June 2014	AUD 1: ARS 7.67	AUD 1: ARS 6.71
Ecuador (US Dollar)	Spot Rate	Yearly Average Rate
31 December 2012	AUD 1: USD 1.04	AUD 1: USD 1.03
31 December 2013	AUD 1: USD 0.89	AUD 1: USD 0.96
30 June 2014	AUD 1: USD 0.92	AUD 1: USD 0.90
Mexico (Peso)	Spot Rate	Yearly Average Rate
31 December 2012	AUD 1: MXN 13.52	AUD 1: MXN 13.91
31 December 2013	AUD 1: MXN 11.64	AUD 1: MXN 12.57
30 June 2014	AUD 1: MXN 12.23	AUD 1: MXN 11.93
Peru (Sole)	Spot Rate	Yearly Average Rate
31 December 2012	AUD 1: PEN 2.64	AUD 1: PEN 2.70
31 December 2013	AUD 1: PEN 2.48	AUD 1: PEN 2.56
30 June 2014	AUD 1: PEN 2.63	AUD 1: PEN 2.56

Source:xe.com, 4 August 2014. Historicals: ozforex.com, AUD:ARS: Finanzas & Gestión (advisory firm).

Cash and cash equivalents

Cash and short-term deposits in the pro forma historical aggregated balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the pro forma historical aggregated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined in the paragraph above, net of outstanding bank overdrafts.

Trade and other receivables

Trade and other receivables which generally have 30 to 60 day terms are recognised and carried as original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when there is objective evidence that collection of the full amount is no longer probable. Bad debts are written off when identified.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition (deemed to be 30 June 2014 for the Prospectus). Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the pro forma historical aggregated income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expenses on intangible assets with finite lives has not been recognised in the pro forma historical aggregated income statement.

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The intangible assets acquired that have been deemed to have a finite life are internet domain names, trademarks and trade names and computer software. The estimated useful economic life for each of these is:

- Internet domain names – 10 to 15 years
- Trademarks and trade names– 10 to 15 years
- Computer software – 3 to 5 years

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.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the pro forma historical aggregated income statement when the asset is derecognised.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit and loss.

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.

Issued capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received. This is reflected in the pro forma adjusted historical financial information.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the LatAm Combined Group 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 LatAm Combined Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The LatAm Combined Group has concluded that it is acting as principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

Interest income

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

Dividends

Dividends are recognised as revenue when the right to receive payment is established.

Income tax

Tax assets and liabilities for the current period are measured at the amount expected to be recovered or paid to taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the pro forma historical aggregated income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except:

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- When the deferred income tax liability arises from the initial recognition of goodwill or of 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 profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and that taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax asset and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in profit or loss.

VAT receivable

The VAT receivable included with other current and other non-current assets is the present value of the VAT paid and the VAT payable as part of the LatAm Acquisitions, which will be able to be offset against the VAT received on future revenues. The receivables are expected to be recuperated over the next 1-4 years depending on the future revenues of the company. The present value of these receivables is calculated by reference to an internally estimated cost of capital.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessee

Finance leases that transfer to the LatAm Combined Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs on the pro forma historical aggregated statement of comprehensive income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the LatAm Autos Combined Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the pro forma historical aggregated income statement on a straight line basis over the lease term.

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7.6.2. Income tax

The entities within LatAm Combined Group are all currently in loss making positions with no probability about future taxable profits, accordingly no deferred tax asset has been recorded.

7.6.3. Intangible assets

LatAm Autos has 12 months from the respective acquisition date to finalise the purchase price allocation for each acquisition.

The estimated useful life of the intangible assets (excluding indefinite life assets) will be determined when the acquisitions are finalised after the successful Listing.

7.6.4. Pro forma reconciliation of cash

Reconciliation of cash

Table 15 – Reconciliation of cash

A\$	Pro Forma Historical Aggregated 30-Jun-2014	Pro Forma Historical Aggregated Adjusted 30-Jun-2014
Cash balance comprises:		
Cash at bank	3,060,196	13,814,312
Closing cash balance	3,060,196	13,814,312

7.6.5. Expenditure commitments

Operating lease commitments

The Company has entered into commercial leases on certain premises. The leases have an average life of one to five years with the option of extension if mutually agreed. There are no restrictions placed upon the lessee by entering into the leases.

Future minimum rentals payable under operating leases as at 30 June 2014 are as follows:

Table 16 – Operating Lease Commitments

A\$	Pro Forma Historical Aggregated 30-Jun-2014
Within one year:	10,434
After one year but not more than five years	26,278
More than five years	–
Total	36,712

Finance lease commitments

The Company does not have any finance lease commitments.

7. Financial Information

7.6.6. Business Combinations

Acquisition of ASA and ASAH

On 15 September 2014 LatAm Autos acquired 100% of the shares of ASA and ASAH, which owns a leading Argentinean auto classifieds website www.autofoco.com.

Acquisition of Seminuevos

On 22 October 2014 LatAm Autos acquired the business and assets of the website seminuevos.com and cars.mx, a leading Mexican online auto classifieds website.

Acquisition of Avisoriaweb S.A.

On 13 October 2014 LatAm Autos acquired 49.9% of the shares of Avisoriaweb S.A, which owns the leading Ecuadorian, Panamanian and Bolivian auto classifieds website www.patituerca.com. On Completion of the Offer, LatAm Autos will acquire the remaining 50.1% of Avisoriaweb in consideration of the issue of Shares.

Acquisition of todoautos.com.pe

On 31 October 2014 LatAm Autos acquired the business and assets of the website todoautos.com.pe, a leading Peruvian online auto classifieds website.

Acquisition of demotores.com.mx and demotores.com.pe

On 13 October 2014 LatAm Autos signed the Demotores Agreement to acquire the business and assets of the websites demotores.com.mx and demotores.com.pe.

Assets assumed on acquisition

The fair values of the identifiable assets as at the date of acquisition are shown in the table below:

Table 17 – Assets assumed on acquisition

A\$	AutoFoco	Avisoriaweb	Seminuevos	Demotores	TodoAutos	Total
Consideration in cash	216,310	4,738,800	2,054,943	6,278,391	1,700,319	14,988,762
Consideration in Shares	–	7,108,200	–	–	–	7,108,200
Other consideration	–	–	52,656	278,349	9,165	340,171
Total consideration	216,310	11,847,000	2,107,599	6,556,740	1,709,484	22,437,132
Cash	117,119	52,595	–	–	–	169,714
Debtors	98,983	199,566	–	–	–	298,549
Other assets	416,369	54,604	–	–	–	470,974
Property, plant & equipment	263,990	38,896	–	–	–	302,886
Creditors	(851,264)	(130,394)	–	–	–	(981,658)
Other liabilities	(370,324)	(239,526)	–	–	–	(609,850)
Total tangible net assets acquired	(325,128)	(24,258)	–	–	–	(349,385)
Intangible assets	541,437	11,871,258	2,107,599	6,556,740	1,709,484	22,786,518
Total intangible assets acquired	541,437	11,871,258	2,107,599	6,556,740	1,709,484	22,786,518
Total consideration	216,310	11,847,000	2,107,599	6,556,740	1,709,484	22,437,132

7. Financial Information

Table 18 – Summary of Intangible Assets by Business

As at 30 June 2014 (Adjusted)				
A\$	Domain Names/ Trademarks	Software	Goodwill	Total
Avisoriaweb	4,500,000	2,000,000	5,371,258	11,871,258
TodoAutos	1,600,000	–	109,484	1,709,484
Seminuevos	1,050,000	–	1,057,599	2,107,599
Demotores	6,000,000	–	556,740	6,556,740
AutoFoco	500,000	–	41,437	541,437
Total	13,650,000	2,000,000	7,136,518	22,786,518

7.6.7. Subsequent Events

Apart from what is disclosed in this Prospectus, there have not been any other matters or circumstances not previously disclosed in the interval between the end of the last review period and the date of this Prospectus that has materially affected or may materially affect the operations of the Company, the results of those operations or the state of the affairs of the Company in subsequent financial periods.



8.

INVESTIGATING ACCOUNTANT'S REPORT

8. INVESTIGATING ACCOUNTANT'S REPORT



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

10 December 2014

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

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Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

INDEPENDENT LIMITED ASSURANCE REPORT ON THE HISTORICAL FINANCIAL INFORMATION AND FINANCIAL SERVICES GUIDE

Introduction

We have been engaged by LatAm Autos Limited ("the Company" or "LatAm Autos") to report on the financial information of the Company for inclusion in the Prospectus (the "Prospectus") to be dated on or about 10 December 2014, relating to the issue and sale of ordinary shares in the Company.

Expressions defined in the Prospectus have the same meaning in this report, unless otherwise specified.

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") holds Australian Financial Services Licence (AFS Licence Number 247140). This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Holder of Australian Financial Services Licence No. 247140

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8. Investigating Accountant's Report



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Scope

You have requested Grant Thornton Corporate Finance to review the following financial information of the Company included in the Prospectus:

Statutory historical financial information

The statutory historical financial information for Company, as set out in Section 7 of the Prospectus:

- LatAm Autos Limited statutory historical income statement for the period ended 30 June 2014;
- LatAm Autos Limited statutory historical balance sheet as at 30 June 2014;
- LatAm Autos Limited statutory historical cash flows for the period ended 30 June 2014;

(Hereafter the “statutory historical financial information”)

Pro forma historical financial information

The pro forma historical aggregated financial information of the Company, as set out in Section 7 of the Prospectus:

- The pro forma historical aggregated income statements for the years ended 31 December 2012 and 31 December 2013, and the six month period ended 30 June 2014;
- The pro forma historical aggregated balance sheet as at 30 June 2014; and
- The pro forma historical aggregated cash flows for the years ended 31 December 2012 and 31 December 2013, and the six month period ended 30 June 2014;

(Hereafter the “pro forma historical aggregated financial information”).

LatAm Autos was incorporated on 11 April 2014 as a company limited by shares. The pro forma historical aggregated financial information presented in the Prospectus reflects a pro forma aggregation prepared from the statutory financial statements of the Company for the period ended 30 June 2014 after adjusting for the impact of the restructure, acquisitions (both corporate and business acquisitions) and one off or non-recurring transactions:

- a) *Advisoriaweb S.A.*: the unaudited financial statements for the years ended 31 December 2012 and 31 December 2013 and the six months ended 30 June 2014;
- b) *Anuntis Segundamano Argentina Holdings S.A (ASAH) and Anuntis Segundamano Argentina S.A (ASA)*: the audited financial statements for the years ended 31 December 2012 and 31 December 2013 and the unaudited financial statements for the six months ended 30 June 2014;
- c) *Todoautos.com.pe*: the unaudited revenues and expenses before interest, tax, depreciation and amortisation for the years ended 31 December 2012 and 31 December 2013 and for the six months ended 30 June 2014;

8. Investigating Accountant's Report



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- d) *Seminuevos.com*: the unaudited revenues and expenses before interest, tax, depreciation and amortisation for the years ended 31 December 2012 and 31 December 2013 and for the six months ended 30 June 2014; and
- e) *Demotores.com.mx*: the unaudited revenue and expenses before interest, tax, depreciation and amortisation for the years ended 31 December 2012 and 31 December 2013 and for the six months ended 30 June 2014.

The pro forma historical aggregated financial position as at 30 June 2014 assumes completion of the proposed transactions (the “Latam Acquisitions”) outlined in section 9.4.1 of the Prospectus which includes the Offer as though they had occurred on that date. Pro forma historical aggregated financial information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Directors' Responsibility

The Directors have prepared and are responsible for the preparation and presentation of the pro forma historical aggregated financial information. The Directors are also responsible for the determination of the pro forma adjustments as set out in Section 7 of the Prospectus. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the pro forma historical aggregated financial information based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450: “*Assurance Engagements involving Corporate Fundraisings and/ or Prospective Financial Information*”.

Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures applied to the accounting records in support of the Financial Information.

These procedures are substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the pro forma historical aggregated financial information. Our engagement did not involve updating or re-issuing any previously issued audit or review reports on any financial information used as a source of the pro forma historical aggregated financial information.

8. Investigating Accountant's Report



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Conclusions

Financial Information

Based on our independent review, which is not an audit, nothing has come to our attention which causes us to believe that:

- a. the Financial Information of the Company as described in Section 7 of the Prospectus does not present fairly:
 - the statutory and pro forma historical aggregated income statement for the years ended 31 December 2012 and 31 December 2013, and the six month period ended 30 June 2014;
 - the statutory and pro forma historical aggregated balance Sheet as at 30 June 2014; and
 - the statutory and pro forma historical aggregated cash flows for the years ended 31 December 2012 and 31 December 2013, and the six month period ended 30 June 2014;

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements;
- b. the pro forma adjustments do not provide a reasonable basis for the pro forma historical aggregated Financial Information; and
- c. the pro forma historical aggregated financial information has not been prepared on the basis of the assumptions set out in Section 7 of the Prospectus;

Restrictions of use

Without modifying our conclusions, we draw attention to Section 7 of the Prospectus, which describes the purpose of the pro forma historical aggregated financial information, being for inclusion in the Prospectus. As a result, the pro forma historical aggregated financial information may not be suitable for use for another purpose.

Consent

Grant Thornton Corporate Finance has consented to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

Liability

The liability of Grant Thornton Corporate Finance is limited to the inclusion of this report in the Prospectus. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

8. Investigating Accountant's Report



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Independence or Disclosure of Interest

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Independent Limited Assurance Report.

Yours faithfully
GRANT THORNTON CORPORATE FINANCE PTY LTD

Peter Thornely
Partner

Brock Mackenzie
Partner – Audit & Assurance

8. Investigating Accountant's Report



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Appendix A (Financial Services Guide)

This Financial Services Guide is dated 10 December 2014.

1. About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, Australian Financial Services Licence no 247140) ("Grant Thornton Corporate Finance") has been engaged by LatAm Autos Ltd ("the Company") to provide a report in the form of Independent Limited Assurance Report for inclusion in a Prospectus dated on or about 10 December 2014 ("the Prospectus") relating to the offer of shares in the Company ("the Issue"). You have not engaged us directly but have been provided with a copy of the report as a retail client because of your connection to the matters set out in the report.

2. This Financial Services Guide

This Financial Services Guide ("FSG") is designed to assist retail clients in their use of any general financial product advice contained in the report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the report, and how complaints against us will be dealt with.

3. Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and to deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

4. General financial product advice

The report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

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8. Investigating Accountant's Report



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5. Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including this report. These fees are negotiated and agreed with the entity who engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this report our fees are charged on a fixed basis. Partners, Directors or employees of Grant Thornton Corporate Finance, Grant Thornton Australia Ltd, or other associated entities, may receive dividends, salary or wages from Grant Thornton Australia Ltd.

6. Associations with issuers of financial products

Grant Thornton Corporate Finance and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

7. Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

PO Box 579 – Collins Street West
Melbourne, VIC 8007
Telephone: 1800 335 405

Grant Thornton Corporate Finance is only responsible for this report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

8. Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

Head of Corporate Finance
Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street
Sydney, NSW, 2000



9.

ADDITIONAL INFORMATION

9. ADDITIONAL INFORMATION

9.1. Incorporation

LatAm Autos was incorporated in Victoria, Australia on 11 April 2014 as a proprietary company limited by shares. At a General Meeting of the Company on 21 August 2014, the shareholders resolved to change the name of the Company to LatAm Autos Pty Ltd, and to convert the Company to a public company. On 2 October 2014, LatAm Autos was converted to a public company.

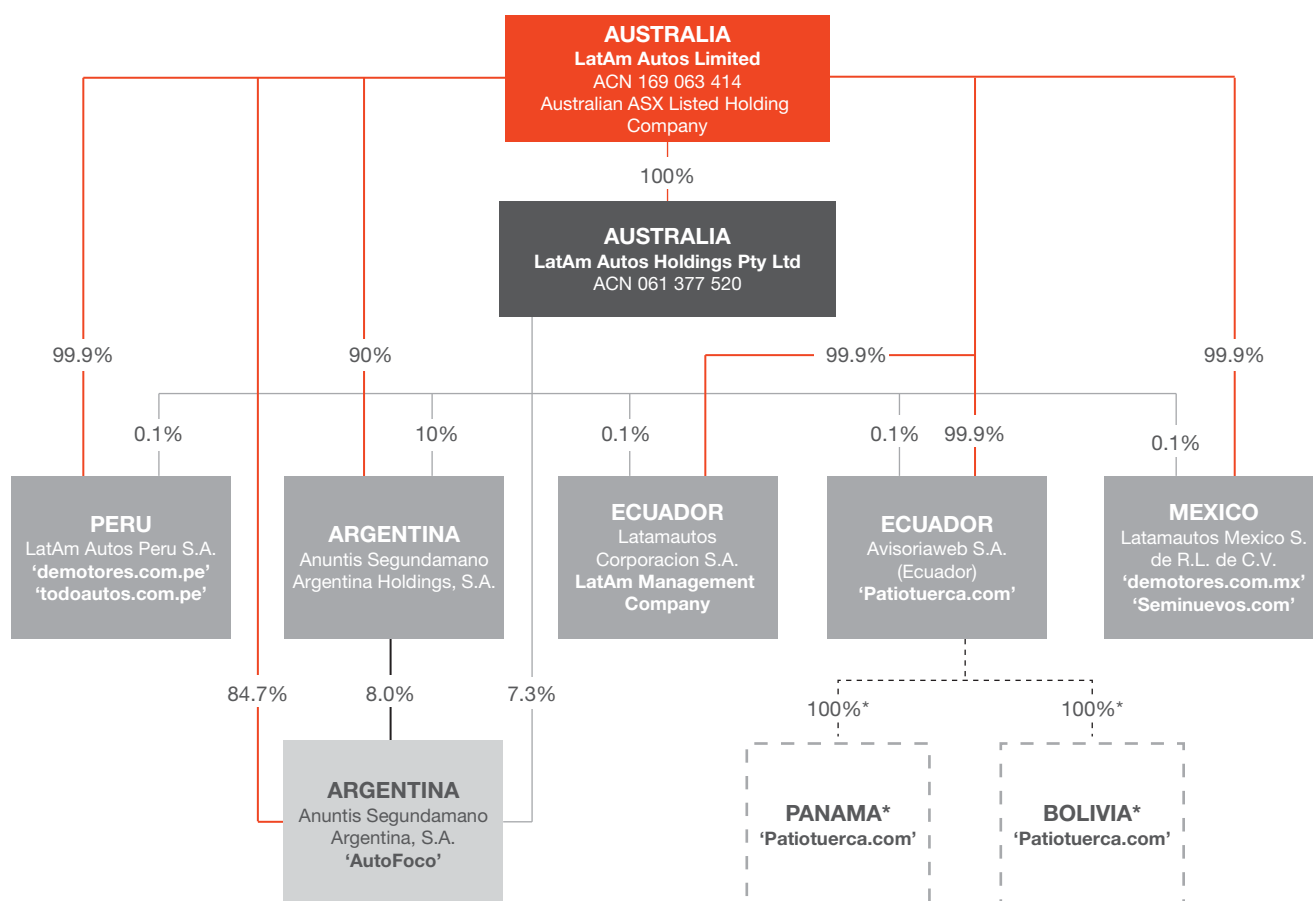
9.2. Company tax status

LatAm Autos will be taxed in Australia as a public company.

9.3. Corporate structure

The diagram below shows at a high level the corporate structure of LatAm Autos on Completion of the Offer, the Avisoriaweb Share Purchase Agreement and exercise of the Demotores Agreement.

Figure 9 – Corporate Structure



* In accordance with LatAm Autos' strategy to monetise www.patiotuerca.com in Panama and Bolivia, the Company intends to incorporate new entities in these countries, which will be 100% owned by Avisoriaweb S.A.

9. Additional Information

9.4. Summary of material contracts

9.4.1. Acquisition agreements

Ecuador

Avisoriaweb share purchase agreement

LatAm Autos entered into a share purchase agreement with Jorge Mejía Ribadeneira, Daniel Ponce Mejía, Diego Fernando Camacho Puente and Andres Jacobo Moreno Noboa (**Vendors**) on 7 August 2014 to purchase all of the shares in Avisoriaweb S.A., which operates the website 'www.patiotuerca.com' for the Ecuador, Bolivia and Panama markets (**Avisoriaweb**).

LatAm Autos' acquisition of all of the issued capital of Avisoriaweb will occur in two stages. Stage 1 completed on 13 October 2014 at which time LatAm Autos acquired 49.9% of the issued share capital of Avisoriaweb. LatAm Autos has nominated two of the four directors on the board of Avisoriaweb and limited minority shareholder protections apply such as pre-emptive rights on transfer of shares and veto rights on certain key decisions of the company.

Stage 2 is scheduled to complete contemporaneously with the Completion of the Offer and before admission of LatAm Autos to the ASX. As at the Prospectus Date, all conditions to stage 2 completion have been fulfilled or waived except for the Completion of the Offer. On completion of stage 2 LatAm Autos will acquire the balance of shares in Avisoriaweb, such that it holds 100% of the issued share capital of Avisoriaweb, in consideration for Shares in LatAm Autos (see below and Section 5.3).

The Avisoriaweb Share Purchase Agreement is governed by the laws of Victoria, Australia.

Consideration

The consideration payable by LatAm Autos for all of the issued capital of Avisoriaweb shares is:

Stage	Interest in Avisoriaweb	Consideration	Date
1	49.9%	A\$4,738,800	Paid on 13 October 2014
2	50.1%	23,694,000 Shares (see Section 5.3) ¹	To be issued on completion of the Offer

Other provisions

The agreement provides for representations, warranties, indemnities and a non-compete in favour of LatAm Autos and Avisoriaweb, as well as for the transition of services for a period following the close of the transaction. The vendor has limited its liability for certain warranty claims.

Peru

TodoAutos acquisition agreement (Peru)

On 31 October 2014, LatAm Autos Peru S.A., a wholly owned member of the LatAm Group of Companies (see corporate structure diagram in Section 9.3), acquired from Netmedia S.A.C (**Netmedia**) the online auto classifieds business of Netmedia and associated assets including the websites 'www.todoautos.com.pe', 'www.todomotos.pe' and 'www.busesycamiones.pe' (**TodoAutos Business**).

The asset purchase agreement for the TodoAutos Business is governed by the laws of the Republic of Peru.

Consideration

The total consideration for the TodoAutos Business was PEN\$4.5m (plus IGV²), of which US\$60,000 was allocated as consideration for a transitional services agreement. PEN\$3.1m was payable in cash at closing of the transaction, with the balance of the consideration deferred. The deferred consideration is payable in two tranches, with PEN \$0.7m payable 6 months after closing of the transaction and PEN\$0.7m payable 12 months after closing of the transaction. LatAm Autos Peru S.A. has a right to set-off against the deferred payments of the consideration for any indemnifiable claim.

Other provisions

The agreement provides for representations, warranties, indemnities and a non-compete in favour of LatAm Autos Peru S.A., as well as for the transition of services for a period following the close of the transaction.

1. Based on a valuation of \$0.20 per Share.

2. IGV is Impuesto General a las Ventas (general sales tax) of 18% payable in Peru.

9. Additional Information

Mexico

Seminuevos acquisition agreement

On 22nd October 2014 Latamautos Mexico S. de R.L. de C.V. a wholly owned member of the LatAm Group of Companies (see corporate structure diagram in Section 9.3), acquired from Consultoria en Comercio Electronico, S.C. (CCE), Roberto Garcia Gonzalez and Daniel Garcia Gonzalez, the online auto classifieds business of CCE and associated assets including the websites 'www.seminuevos.com', 'www.seminuevos.com.mx', 'www.seminuevos.mx', 'www.seminuevos.tv', 'www.cars.com.mx' and 'www.cars.mx'. (Seminuevos Business)

The asset purchase agreement for the Seminuevos Business is governed by the laws of the United Mexican States.

Consideration

The total consideration for the Seminuevos Business is US\$1,900,000, of which US\$50,000 has been allocated as consideration for a transitional services agreement. Latamautos Mexico S. de R.L. de C.V. has paid US\$1,700,000 in cash, with the balance of the consideration to be deferred and payable as to US\$200,000 6 months after closing (being 22nd April 2015). LatAmAutos Mexico S. de R.L. de C.V. has a right to set-off against the deferred payments of the consideration any indemnifiable claim.

Other provisions

The agreement provides for representations, warranties, indemnities and a non-compete in favour of Latamautos Mexico S. de R.L. de C.V., as well as for the transition of services for a period following the close of the transaction.

Demotores Agreement

On 13th October 2014, LatAm Autos entered into the Demotores Agreement by which Latamautos Mexico S. de R.L. de C.V. and LatAm Autos Limited (the LatAm Parties) were granted an option to acquire from Dridco Mexico S.A. de C.V. and Intangible Assets LLC (Option) its online auto classifieds businesses and assets in Mexico and Peru, including demotores.com.mx and demotores.com.pe (Demotores Business). The option agreement is governed by the laws of the United Mexican States.

Option

LatAm Autos paid an option fee of US\$862,000 (plus VAT¹) for the Option. If the agreement is terminated because the Dridco Parties breached a representation, warranty or obligation under the agreement or a condition precedent for the benefit of the LatAm Parties remained unsatisfied at the date that is 30 days after the exercise date of the Option, LatAm Autos is entitled to receive an amount equal to the option fee as indemnification.

The Option is exercisable by the LatAm Parties until 31 March 2015. The Company intends to exercise the option immediately after Completion of the Offer and complete the acquisition of Demotores Business as soon as practicable thereafter.

Consideration

The total consideration for the Demotores Business is US\$4,943,000 (plus VAT).

Managing the business before closing of the transaction

Until the closing date of the transaction, the Dridco Parties must manage the business in the ordinary course including maintaining its marketing expenditure consistent with expenditure in the last 12 months. The Dridco Parties agree not to sell or encumber any asset, change the terms of any employees' remuneration (other than as required by law), waive or cancel any trade receivable, terminate or modify a material contract.

Certain of the Dridco Parties also agree not to permit a change of control of the owners of the Demotores Business unless the incoming owner agrees to be bound by, and perform, the agreement and the Dridco Parties shall remain jointly and severally liable under the agreement.

Conditions precedent to closing of the transaction

Closing of the agreement is subject to a number of conditions including (Conditions):

- for the benefit of the LatAm Parties, that the consent of the assigned counterparties to the material contracts of the Demotores Business have been obtained on terms satisfactory to the LatAm Parties;
- that the representations and warranties given by the parties are true and correct as at closing of the transaction;
- that all commitments and undertakings contemplated in the agreement are performed by the relevant party on or before closing of the transaction;
- that no claim is filed to obtain the prohibition, delay or declaration of illegality of the transactions contemplated in this agreement is still pending or has been adversely resolved;

1. VAT is a value added tax of 16% payable in Mexico.

9. Additional Information

- that all consents and permissions to the transactions contemplated in the agreement that must be granted have been granted; and
- that no government authority should have passed any law or order rendering the transactions contemplated in the agreement illegal or prohibited.

Closing is scheduled to occur 3 business days after the Conditions are satisfied or waived (but not later than 30 days after exercise of the Option).

Termination

The agreement may be terminated at any time before closing of the transaction:

- by mutual agreement of the parties, evidence in writing (in which case no further liability will arise);
- by either of the parties if any competent government authority issues a final and conclusive order forbidding the sale of assets or transfer of employees (in which case no further liability will arise);
- by either party if the other party breaches a warranty, representation or obligation given under this agreement or any other agreement entered into by the parties;
- by the party entitled to the benefit of a Condition which is not satisfied or waived by the date that is 30 days after the exercise date of the Option; or
- automatically if the Option is not exercised by 31 March 2015, unless agreed otherwise by the parties (in which case no further liability will arise).

Other provisions

The agreement provides for representations, warranties, indemnities and a non-compete in favour of Latamautos Mexico S. de R.L. de C.V., as well as for the transition of services for a period following the close of the transaction. The vendor has limited its liability for certain warranty claims.

Argentina

AutoFoco share purchase agreement

LatAm Autos and LatAm Autos Holdings Pty Ltd acquired from SnT Netherlands B.V, SnT Spain Classificados Online S.L. and Anuntis Segundamano Espana S.L. (together the **Autofoco Vendors**) on 9 September 2014 all of the shares in Anuntis Sgundamano Argentina Holdings S.A. (**ASAH**) and Anuntis Segundamano Argentina S.A. (**ASA**), which, among other things, operates the online and print auto classifieds business called AutoFoco.

The share purchase agreement is governed by the laws of Argentina.

Consideration

The total consideration paid by LatAm Autos for all of the shares in ASAH and ASA was US\$200,000 in cash.

Other provisions

The agreement provides for representations, warranties, indemnities and a non-compete in favour of LatAm Autos, ASAH and ASA, as well as for the transition of services for a period following the close of the transaction. The vendor has limited its liability for certain warranty claims.

9.4.2. Underwriting agreement

The Offer is fully underwritten by the Joint Lead Managers pursuant to an Underwriting Agreement dated on or about the Original Prospectus Date between them and the Company. The following is a summary of the principal provisions of the Underwriting Agreement.

Under the Underwriting Agreement, the Joint Lead Managers have agreed to underwrite, arrange and manage the Offer.

Fees

LatAm Autos has agreed to pay the Joint Lead Managers an underwriting fee of 1.0% of the funds raised under the Offer, a selling fee of 2.0% of the funds raised under the Offer and a management fee comprising 2.0% of the funds raised under the Offer. The underwriting, selling and management fees will become payable by LatAm Autos on the date of Settlement and will be paid to the Joint Lead Managers in equal proportions. In addition, LatAm Autos must reimburse each Joint Lead Manager for expenses, including legal and reasonable travel costs, incurred by the Joint Lead Managers in relation to the Offer. LatAm Autos has agreed to pay Brokers who receive an allocation of Shares under the Offer a fee comprising 3.0% of the funds raised in respect of the allocation up to a maximum of \$5,000,000.

9. Additional Information

Representations, warranties and undertakings

LatAm Autos gives various representations, warranties and undertakings to the Joint Lead Managers, including that the documents issued or published by or on behalf of LatAm Autos in respect of the Offer comply with all applicable laws. With the exception of the Shares issued under the Offer and certain other limited exceptions (including potential issues of Shares contemplated by this Prospectus), LatAm Autos has also agreed that it will not, without the Joint Lead Managers' prior written consent, allot or agree to allot (or indicate that it may or will do so), any equity securities (or securities convertible into equity) at any time after the date of the Underwriting Agreement and before the expiration of 180 days after Settlement (other than securities of the Company issued as consideration for the acquisition of assets in relation to which the Company currently has exclusive right).

Indemnity

LatAm Autos agrees to indemnify the Joint Lead Managers, their affiliates and the officers, directors, employees, agents, advisers, contractors and representatives of the Joint Lead Managers and their affiliates against all claims, demands, damages, losses, costs, expenses, liabilities or damages incurred by them in connection with the Offer and the Offer documents (subject to limited exclusions).

Termination events

Each Joint Lead Manager may terminate its obligations under the Underwriting Agreement prior to 4.00pm on the Settlement Date on the occurrence of a number of customary termination events, including (among others):

- ASIC issues a stop order in relation to the Offer;
- ASX refuses to quote the Shares on ASX;
- delays in the Offer timetable;
- any person withdraws their consent to be named in the Prospectus;
- LatAm Autos withdraws the Prospectus or the Offer;
- a supplementary prospectus is required under section 719 of the Corporations Act;
- a specified fall in the S&P ASX 200 index;
- unauthorised alterations to LatAm Autos' share capital;
- a change in LatAm Autos' senior management; and
- the insolvency of LatAm Autos or a material group member.

Certain of these events will only give rise to a right to terminate if the Joint Lead Manager reasonably believes that the event has had or is likely to have a material adverse effect on the success or settlement of the Offer, subscriptions under the Offer, the trading price of Shares on ASX or the event has given or is likely to give rise to the Joint Lead Managers contravening any applicable laws or incurring a material liability. If this occurs, the Joint Lead Manager who validly terminates will no longer be a lead manager and will not be obliged to underwrite the Offer. Under the Underwriting Agreement, if one Joint Lead Manager terminates, the other Joint Lead Manager may give notice in writing to LatAm Autos stating whether they assume the obligations of the terminating Joint Lead Manager (or a further Joint Lead Manager may be appointed).

9.5. Taxation considerations

This section provides a general overview of certain Australian tax consequences for investors who acquire Shares through the Offer. The comments in this Section are based on the Australian taxation laws (including established interpretations of those laws) and understanding of the practice of the Australian Taxation Office as at the Original Prospectus Date.

Note, this section intends to provide a general outline for Australian tax resident investors who hold their shares on capital account as an investor. Accordingly, the below comments will not apply to Australian tax residents who hold their shares on revenue account or as trading stock.

This section is general in nature and is not intended to be an authoritative or a complete statement of the Australian taxation laws. It should be noted that the Australian taxation laws are complex and the investor's own circumstances may affect the taxation outcomes of making an investment in the Company. It is therefore recommended that investors seek independent professional advice having regard to their own specific circumstances in considering an investment in the Company.

9. Additional Information

9.5.1. Dividends on a Share – Australian tax resident

Dividends received by Australian tax resident shareholders will be assessable income for Australian tax purposes. Generally, both the amount of the cash dividend received and an amount equal to the franking credits attached to a franked dividend must be included in assessable income. Generally, an Australia resident shareholder would then be entitled to a franking offset against income tax on this assessable dividend income.

It is likely that any dividend paid by the Company to its shareholders will be unfranked and in this regard, no franking credits will be attached. However, for completeness, the following is noted.

- Generally, franking credits attached to franked dividends must be grossed-up and included in assessable income. This offset is then available to be applied against tax payable.
- Also, it is important to note that securities must be held 'at risk' for a period of 45 days, in order for any investor to be able to claim an offset for franking credits.
- The tax treatment in respect of the dividends from ordinary shares will vary depending on the nature of the investor. The tax treatment for the different types of investors is detailed below.

Individual Investors

An individual receiving a dividend that is unfranked will include the amount of the dividend in the individual's assessable income, with tax being paid at the individual's marginal rate of tax.

Company Investors

A company investor receiving an unfranked dividend will pay tax on this dividend (net of any allowable deductions) at the corporate tax rate which is currently 30%.

Should any dividend be franked, the shareholder company will be entitled to offset the franking credit against its tax liability for the year. To the extent that the franking credit exceeds the shareholder company's tax liability, the excess can be converted into a carry forward loss and offset against future taxable profits (subject to the loss testing rules for companies).

Further, the franked dividend may give rise to a franking credit in the shareholder company's franking account.

Complying Superannuation Funds

Complying Superannuation Funds (which includes SMSFs) will be assessed on unfranked dividends and pay tax at a rate of 15%.

9.5.2. Taxation of future share disposals – Australian tax resident

The disposal of ordinary shares will generally constitute a Capital Gains Tax (CGT) event A1 (if sold) or C2 (if cancelled under a buy-back or other capital reduction) for Australian tax purposes where the shareholder holds their share on capital account.

Where the proceeds received on disposal of the shares are greater than the cost of acquisition of the shares (the cost base), a capital gain will generally arise. Accordingly this capital gain will be included in assessable income.

Conversely, a capital loss will arise where the proceeds received on the disposal of the shares are less than the "reduced" cost base of the shares. Capital losses can only be offset against capital gains. In this regard, capital losses can be applied against current year capital gains to reduce the net capital gain that is assessed for tax purposes or can be carried forward and applied against future capital gains.

For completeness, it should be noted that, generally speaking, all capital gains and losses made by a shareholder during the year and any net capital losses carried forward from prior years must be aggregated to determine whether the shareholder has made a net capital gain or loss for that year. Where the shareholder has made a net capital gain, the gain must be recognised as assessable income and where a net capital loss has been made, the loss can be carried forward and offset against future capital gains (subject to the loss testing rules for companies).

Where shares acquired under this offering are retained for more than twelve months, any gain arising on disposal should be discounted by 50% for Australian resident individuals and 33 1/3% for complying superannuation funds.

Company taxpayers will receive no discount and will pay tax at 30% on any net capital gain.

Where the shareholder is a trustee of a trust and has held the shares for 12 months or more before disposal, the CGT discount may flow through to its non-corporate beneficiaries.

9. Additional Information

9.5.3. Tax file number and Australian business number

A shareholder is not obliged to quote a TFN, or where relevant, ABN, to the Company. However, if a TFN or ABN is not quoted, the Company is required by tax legislation to withhold the appropriate tax (calculated at the maximum marginal rate plus Medicare levy) of the unfranked part of any dividends paid by it to that investor.

9.5.4. GST

The acquisition, holding and disposal of shares in an Australian company should not attract GST neither should the receipt of dividends. Investors should seek their own advice in relation to whether they are entitled to claim input tax credits for GST, incurred on purchases made in relation to the acquisition, holding and disposal of shares.

9.5.5. Stamp duty

Stamp Duty on the acquisition of an interest in a Victorian company is only payable if the acquisition is considered to be the acquisition of a significant interest in a landholder.

In this regard, we understand that LatAm Autos does not currently hold any land in Australia. Accordingly, there should be no stamp duty implications associated with the acquisition of shares in LatAm Autos.

9.6. Costs of the Offer

9.6.1. Professional advisory fees

LatAm Autos has engaged the following professional advisers:

- Moelis Australia Advisory and Canaccord Genuity have acted as Joint Lead Managers to the Offer. The Company has paid, or agreed to pay, the Joint Lead Managers the fee described in Section 9.4.2;
- Minter Ellison has acted as Australian legal advisor to the Company in connection with the Offer, has advised the Company generally in relation to its admission to the official list of ASX and has performed work in relation to Australian legal due diligence enquiries in respect of the Offer. The Company has paid or agreed to pay approximately \$350,000 (plus GST) for these services to the date of the Original Prospectus. Further amounts may be paid to Minter Ellison in accordance with its agreed fee arrangements;
- Grant Thornton Corporate Finance has prepared the Investigating Accountant's Report on the Financial Information. LatAm Autos has paid, or agreed to pay, approximately \$80,000 (plus GST) for this service to the date of the Original Prospectus. Further amounts may be paid to Grant Thornton Corporate Finance in accordance with their normal time-based charge-out rates; and
- Frost & Sullivan has prepared the Independent Market Report on the online automotive advertising market. LatAm Autos has paid, or agreed to pay, approximately \$16,000 (plus GST) for this report.

The total costs of the offer are expected to be in the order of \$1,725,000.

9.6.2. Interests and benefits of advisors

Ron Forster (Partner, Minter Ellison) has a relevant interest in 1,000,000 Shares as a result of an entity controlled by him subscribing for Shares at \$0.05 per Share in an initial capital raising round conducted by the Company.

German Barrios (Partner, Barrios Fuentes Abogados) has a relevant interest in 1,000,000 Shares as a result of an entity controlled by him subscribing for Shares at \$0.05 per Share in an initial capital raising round conducted by the Company.

9.7. ASX waiver and ASIC relief

No ASX waivers or ASIC relief have been sought or obtained by LatAm Autos.

9. Additional Information

9.8. Consents and disclaimers of responsibility

Written consents to the issue of this Prospectus have been given and, at the Prospectus Date, have not been withdrawn by the following parties:

- Canaccord Genuity has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Joint Lead Manager and Joint Underwriter to the Offer in the form and context in which it is named;
- Moelis Australia Advisory has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Joint Lead Manager and Joint Underwriter to the Offer in the form and context in which it is named;
- Minter Ellison has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian legal advisor to the Company in relation to the Offer in the form and context in which it is named;
- Grant Thornton Corporate Finance has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as auditor to the Company and Investigating Accountant to the Company in relation to the Pro Forma Historical Financial Information in the form and context in which it is named and has given and not withdrawn its consent to the inclusion in this Prospectus of its Investigating Accountant's Report;
- Grant Thornton Australia has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as tax adviser in the form and context in which it is named;
- Grant Thornton Audit has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as auditor in the form and context in which it is named;
- Frost & Sullivan has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Independent Market Expert to the Company in relation to the Offer in the form and context in which it is named and has given and not withdrawn its consent to the inclusion in this Prospectus of its Independent Market Report in the form and context in which it is included; and
- Boardroom has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named.

No entity or person referred to above in Section 9.8 has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as stated above. Each of the entities and persons referred to in this Section 9.8 has not authorised or caused the issue of this Prospectus, does not make any offer of Shares to the maximum extent permitted by law and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus except as stated above in this Section 9.8.

9.9. Litigation and claims

As far as the Directors are aware, as at the Prospectus Date there are no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which LatAm Autos is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of LatAm Autos.

9.10. Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications and bids are governed by the law applicable in New South Wales, and each Applicant or bidder for Shares under this Prospectus submits to the nonexclusive jurisdiction of the courts of New South Wales.

9.11. Statement of Directors

This Prospectus is authorised by each Director of LatAm Autos who has consented to its lodgement with ASIC and its issue and have not withdrawn that consent.



10.

GLOSSARY

10. GLOSSARY

10.1. Glossary

Term	Definition
1H FY	Six month period ended on or ending (as relevant) on 30 June within the applicable financial year
\$A or \$	Australian dollars
AASB	Australian Accounting Standards Board
ABN	Australian Business Number
Acquisition Agreements	The Avisoriaweb Share Purchase Agreement, the TodoAutos Acquisition Agreement, the Seminuevos Acquisition Agreement, the Demotores Agreement and the AutoFoco Share Purchase Agreement
ACH Clearing Rules	The clearing rules of the Australian Clearing House Pty Ltd
AEST	Australian Eastern Standard Time
Issue Date	The date that Shares are issued to Applicants under this Prospectus
Applicant	A person who applies for Shares in accordance with this Prospectus
Application	A valid application for Shares offered under this Prospectus
Application Form	Broker Firm Offer Application Form attached to or accompanying this Prospectus
Application Money	Money received from an Applicant in respect of an Application
ARS	Argentine Peso
ASA	Anuntis Segundamano Argentina S.A.
ASAH	Anuntis Segundamano Argentina Holdings S.A.
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ACN 008 624 691 or the Australian Stock Exchange operated by ASX Limited, as the case requires
ASX Recommendations	Has the meaning set out in Section 4.4.
Australian Accounting Standards	Australian Accounting Standards as issued by the Australian Accounting Standards Board and specify techniques of accounting practice and the method of presenting financial information for an entity
Avisoriaweb Share Purchase Agreement	The Agreement described in Section 9.4.1 in respect of the acquisition of Avisoriaweb
Avisoriaweb Vendors	The vendors under the Avisoriaweb Share Purchase Agreement, as defined in Section 9.4.1.
ASX Listing Rules	The official listing rules of ASX
Board	The board of directors of LatAm Autos from time to time
Bootstrap	A front-end framework for creating websites which contains HTML and Cascading Style Sheets (a style sheet language for describing the look and formatting of web pages written in a markup language, commonly referred to as CSS) design templates
Broker	An ASX participating organisation
Broker Firm Applicants	Applicants under the Broker Firm Offer
Broker Firm Offer	The invitation under this Prospectus to Australian resident Retail Investor and Institutional Investor clients of Brokers who have received a firm allocation of Shares from their Broker, as described in Section 5.11
Business Day	A day other than a Saturday or Sunday on which trading banks are open for general banking business in Sydney and Melbourne and the ASX is conducting trading in Sydney and Melbourne
CAGR	Compound annual growth rate
CGT	Capital Gains Tax
CHESS	Clearing House Electronic Subregister System

10. Glossary

Term	Definition
Closing Date	Closing date of the Offer unless otherwise varied by the Company
Company	LatAm Autos Limited (ACN 169 063 414) and any of its subsidiaries or controlled entities, as the case requires
Completion of the Offer	Completion in respect of the issuance of Shares of the Offer in accordance with the Underwriting Agreement
Constitution	The constitution of the Company adopted by Shareholders on 21 August 2014
Corporations Act	Corporations Act 2001 (Cth)
CRM	Customer Relationship Management system
Demotores Agreement	The option agreement dated 13th October 2014 between LatAm Autos and LatAmAutos Mexico S. de R.L. de C.V. (LatAm Parties) and Dridco Luxembourg S.A., Dridco Holding, LLC, Dridco Mexico S.A. de C.V. and Intangible Assets LLC (Dridco Parties) under which certain of the Dridco Parties granted the LatAm Auto Parties an irrevocable option to acquire the online auto classified business 'Demotores Mexico', 'Demotores Peru' and associated assets including the websites: 'www.demotores.mx' and 'demotores.com.pe', as described in further detail in Section 9.4.1
Directors	Directors of LatAm Autos
Dridco Parties	The counterparties to the Demotores Agreement, as described in Section 9.4.1
EBITDA	Earnings before interest, taxation, depreciation and amortisation
Expiry Date	Has the meaning as set out in Important Notices
Exposure Period	The period during which the Company cannot accept Applications as described in section 727(3) of the Corporations Act, being seven days from the Original Prospectus Date and extended by ASIC by a further seven days
Financial Information	Has the meaning given to it in Section 7.1
FY	The financial year to 31 December in any year, e.g. FY2013 means the financial year ended 31 December 2013
GDP	Gross Domestic Product
Group	Company and its subsidiaries
GST	Goods and Services Tax
HIN	Holder Identification Number (for CHESS)
HTML5	Hypertext Markup Language version 5, which is a web development software architecture
IASB	International Accounting Standards Board
Independent Market Report	The Independent Market Report on the Automotive and Online Advertising Markets in Latin America prepared by Frost & Sullivan (Australia) Pty Ltd for the Directors of LatAm Autos Limited, a copy of which is contained in Section 3 of this Prospectus
IFRS	International Financial Reporting Standards
Institutional Investor	An investor to whom offers or invitations in respect of Shares can be made without the need for a lodged disclosure document or other formality, being persons in Australia to whom offers or invitations in respect of Shares can be made without the need for a disclosure document under section 708 of the Corporations Act
Institutional Offer	The invitation to Institutional Investors in Australia made pursuant to this Prospectus, described in Section 5.12
Investigating Accountant	Grant Thornton Corporate Finance Pty Limited (ACN 003 265 987)
Investigating Accountant's Report	The Investigating Accountant's Report set out in Section 8
Joint Lead Managers	Cannacord Genuity (Australia) Ltd and Moelis Australia Advisory Pty Limited

10. Glossary

Term	Definition
LAA	LatAm Autos Limited
LatAm Acquisitions	The shares of Avisoriaweb S.A., ASA, and ASAH companies, and the business and assets associated with the auto classifieds websites of todoautos.com.pe, seminuevos.com, demotores.com.mx and demotores.com.pe acquired by LatAm Autos
LatAm Autos	LatAm Autos Limited (ACN 169 063 414) and any of its subsidiaries or controlled entities, as the case requires
LatAm Autos Holdings	LatAm Autos Holdings Pty Ltd (ACN 601 063 414)
LatAm Group of Companies or LatAm Combined Group	LatAm Autos Limited LatAm Autos Holdings Pty Ltd LatAm Autos Peru S.A.C. Latamautos Mexico S. de R.L. de C.V. Latamautos Corporación S.A. Anuntis Segundamano Argentina Holdings S.A. Anuntis Segundamano Argentina S.A. Avisoriaweb S.A.
LatAm Markets	Argentina, Mexico, Ecuador, Peru, Panama and Bolivia
Latin America	The parts of the American continent where Spanish or Portuguese is the main national language
Listing	The quotation of the Company's shares on the Official List
Listing Rules	Official listing rules of ASX
MXN	Mexican Peso
Offer or Issue	The offer of Shares under this Prospectus
Offer Period	The period between the Opening Date and the Closing Date
Offer Price or Issue Price	\$0.30 per Share
Official List	The official list of ASX
Opening Date	The commencement date of the Offer
Option	An option to acquire shares
Original Prospectus	The Prospectus dated 26 November 2014 and lodged with ASIC on that date, and which this Prospectus replaces
Original Prospectus Date	The date on which a copy of the Original Prospectus was lodged with ASIC being 26 November 2014
PBT	Profit before tax
PEN	Peruvian Nuevo Sol
PHP	PHP: Hypertext Preprocessor, a server-side scripting language for web development and general purpose programming language
Pro Forma Historical Financial Information	Has the meaning as set out in Section 7.1
Prospectus	This Prospectus and any supplementary or replacement prospectuses
Prospectus Date	Has the meaning as set out in Important Notices
Restricted Shares	Shares which are restricted from disposal in accordance with the terms of a restriction agreement entered into by the Company and the Shareholder, of which a summary of such terms is set out in Section 5.8.13
Retail Investor	An investor who is not an Institutional Investor

10. Glossary

Term	Definition
Seminuevos Acquisition Agreement	The agreement to acquire Seminuevos as described in Section 9.4.1
Sessions	An individual internet user's interaction with a website, lasting a maximum of 30 minutes. The same user can return to the website a number of times per day, recorded as multiple sessions.
Settlement	Settlement of the Offer
Share Registry	Boardroom Pty Limited (ABN 003 209 836)
Shareholder	A holder of a Share
Shareholder Statements	A holding statement under CHESS or an Issuer sponsored holding statement in respect of Shares
Shares or Fully Paid Shares	Fully paid ordinary shares in the capital of LatAm Autos
SRN	Shareholder reference number
Subsidiaries	LatAm Autos Holdings Pty Ltd (ACN 061 377 520), Anuntis Segundamano Argentina Holdings, S.A., Anuntis Segundamano Argentina, Avisoriaweb S.A. (on Completion of the Offer), Latamautos Corporation S.A., LatAm Autos Peru S.A., and Latamautos Mexico S. de R.L. de C.V.
Sydney Time	Time in Sydney, Australia
TFN	Tax File Number
TodoAutos Acquisition Agreement	The agreement to acquire TodoAutos as described in Section 9.4.1
Underwriters	Canaccord Genuity (Australia) Ltd and Moelis Australia Advisory Pty Limited
Underwriting Agreement	Agreement described in Section 9.4.2
US Securities Act	US Securities Act 1933
US\$ or USD	United States Dollar
VAT	Value Added Taxes

ACN 169 063 414

This is an Application Form for Shares in LatAm Autos Limited (**Company**) on the terms set out in the Prospectus dated 10 December 2014. Defined terms in the Prospectus have the same meaning in this Application Form. You may apply for a minimum of 6,667 Shares. This Application Form and your cheque or bank draft must be received by **5.00pm (AEST) on 12 December 2014**.

This Application Form is important. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus dated 10 December 2014 contains information relevant to a decision to invest in the Shares of the Company and you should read the entire Prospectus carefully before applying for Shares.

The Company's Privacy Policy (**Privacy Policy**) also sets out important information relating to the collection, use and disclosure of all personal information that you provide to the Company. Please ensure that you and all relevant individuals have read the Privacy Policy carefully before submitting this Application Form. The Privacy Policy can be found on our website www.latamautos.com.

To meet the requirements of the *Corporations Act 2001* (Cth), this Application Form must not be distributed to another person unless included in, or accompanied by the Prospectus dated 10 December 2014. A person who gives another person access to this Application Form must, at the same time and by the same means, give the other person access to the Prospectus. The Company will send you a free paper copy of the Prospectus if you have received an electronic prospectus and you ask for a paper copy before the Prospectus expires on 10 January 2016.

PLEASE FOLLOW THE INSTRUCTIONS TO COMPLETE THIS APPLICATION FORM (SEE REVERSE) AND PRINT CLEARLY IN CAPITAL LETTERS USING BLACK OR BLUE PEN.


A	Number of Shares you are applying for										x A\$0.30 per Share =	B	Total amount payable									
												\$										
Minimum of 6,667 Shares to be applied for and thereafter in multiples of 1.667 shares																						

[illegible]

D	Write your postal address here
Number/Street	
<input type="text"/>	
<input type="text"/>	
Suburb/Town	
<input type="text"/>	
State	Postcode
<input type="text"/>	<input type="text"/>

E	CHESS participant – Holder Identification Number (HIN)	<div><div>X</div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<i>Important please note if the name and address details above in sections C and D do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.</i>
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F Enter your Tax File Number(s), ABN, or exemption category											
Applicant #1						Applicant #2					
Applicant #3											

<div> <div>G</div> <div>Cheque payment details –  PIN CHEQUE(S) HERE</div> <div>Please enter details of the cheque(s) that accompany this application.</div> </div>				
Name of drawer of cheque	Cheque no.	BSB no.	Account no.	Cheque Amount A\$

H	Contact telephone number (daytime/work/mobile)	I	Email address
	<input type="text"/>		<input type="text"/>

Declaration

- | | | | | |
|---|--|--|--|---|
| <ul style="list-style-type: none"> ✓ have read the prospectus in full; ✓ have read the Privacy Policy (available at www.latamautos.com) in full; ✓ have received a copy of the electronic Prospectus or a print out of it; ✓ have completed this Application Form in accordance with the Prospectus including, without limitation, those set out in Section 5.16 of the Prospectus and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate; | <ul style="list-style-type: none"> ✓ agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Privacy Policy (available at www.latamatos.com); ✓ where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company and have provided that individual with a copy of, or details as to where to obtain, the Privacy Policy; ✓ acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it; | <ul style="list-style-type: none"> ✓ apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus); ✓ acknowledge that my/our application may be rejected by the Company in consultation with the Joint Lead Managers in its absolute discretion; ✓ authorise the Joint Lead Managers and the Company and their respective officers and agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated to me/us; | <ul style="list-style-type: none"> ✓ am/are over 18 years of age; ✓ agree to be bound by the constitution of the Company; ✓ acknowledge that neither the Company nor any person or entity guarantees any particular rate of return on the Shares, nor do they guarantee the repayment of capital; ✓ represent, warrant and agree that I/we am/are not in the United States or a US Person and am/are not acting for the account or benefit of a US Person; and | <ul style="list-style-type: none"> ✓ represent, warrant and agree that I/we have not received this Prospectus outside Australia and am/are not acting on behalf of a person resident outside Australia unless the Shares may be offered in my/our jurisdiction without contravention of the security laws of the jurisdiction or any need to register the Prospectus, the Shares or the Offer. |
|---|--|--|--|---|

Guide to the Broker Firm Offer Application Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

- A** If applying for Shares insert the *number* of Share for which you wish to subscribe at Item **A** (not less than 6,667 Shares and then in multiples of 1,667 shares). Multiply by A\$0.30 to calculate the total Application Amount for Shares and enter the *A\$amount* at Item **B**.
- C** Write your *full name*. Initials are not acceptable for first names.
- D** Enter your *postal address* for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E** If you are sponsored in CHESS by a stockbroker or other CHESS participant you may enter your CHESS HIN if you would like the allocation to be directed to your HIN. **NB: your registration details provided must match your CHESS account exactly.**
- F** Enter your Australian *tax file number* (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- G** Complete *cheque details* as requested by your broker, or contact your broker to arrange payment for these shares. Cheques must be in Australian currency, and cheques must be drawn on an Australian bank.
- H** Enter your *contact details* so we may contact you regarding your Application Form or Application Monies.
- I** Enter your *email address* so we may contact you regarding your Application Form or Application Amount or other correspondence.

Correct Form of Registrable Title

Note that **ONLY** legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Late John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Lodgment

Mail your completed Application Form with your cheque(s) or bank draft attached to your broker, and complete the broker details below:

[illegible]

The Offer closes at 5.00pm (AEST) 12 December 2014

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact Boardroom Pty Limited on 1300 737 760 within Australia and + 61 2 9290 9600 outside Australia.

Privacy Statement

LaTAm Autos Limited advises that Chapter 2C of the Corporations Act requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold Shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form. Our privacy policy is available on our website (<http://www.Latamautos.com>). The Corporations Act requires some of this information to be included in the Company's Shareholder register, which will be accessible by the public. The Company will collect, use, hold, and disclose your personal information in accordance with the Privacy Policy. For more detail on how the Company collects, stores, uses and discloses your information, please refer to our Privacy Policy. Alternatively contact the Company and the Company will send you a copy. It is recommended that you obtain a copy of the Privacy Policy and read it carefully.

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CORPORATE DIRECTORY

1. LatAm Autos

Global Head Office

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

Ph: +61 (3) 9692 7222
Fax: +61 (3) 9077 9233

South American Head Office

Latamautos Corporación
La Pinta N26-49 y Reina Victoria
Quito
Ecuador

Ph: +593 2 604 7442

2. Joint Lead Managers and Underwriters

Canaccord Genuity (Australia) Limited

Level 26, 9 Castlereagh Street
Sydney NSW 2000

Ph: +61 (2) 9263 2728
Fax: +61 (2) 9267 0806

Moelis Australia Advisory Pty Limited

Level 27, Governor Phillip Tower
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8. Corporate website

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