LATAM AUTOS LIMITED

ABN 12 169 063 414

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

LatAm Autos Limited
Contents
31 December 2018

Corporate directory	1
Chairman's Letter	2
Review of operations	3
Directors' report	7
Auditor's independence declaration	24
Consolidated statement of profit or loss and other comprehensive income	25
Consolidated statement of financial position	27
Consolidated statement of changes in equity	28
Consolidated statement of cash flows	29
Notes to the consolidated financial statements	30
Directors' declaration	72
Independent auditor's report to the members of LatAm Autos Limited	73
Shareholder information	76

LatAm Autos Limited
Corporate directory
31 December 2018

Directors	Tim Handley (Executive Chairman) Jorge Mejia (Executive Director & Chief Executive Officer) Simon Clausen (Non-Executive Director) Michael Fitzpatrick (Non-Executive Director) Colin Galbraith (Non-Executive Director) Gareth Bannan (Alternate Director) Cameron Griffin (Alternate Director)
Company secretaries	Melanie Leydin Gareth Bannan
Registered office	Level 4, 100 Albert Road South Melbourne VIC 3205 Tel: +61 (3) 9692 7222 Fax: +61 (3) 9077 9233
Principal place of business	Latamautos Corporación S.A. Isla Pinzon y Tomas de Berlanga Quito Ecuador Tel: +593 2 393 2200
Share register	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Telephone: 1300 737 760
Auditor	Grant Thornton Collins Square, Tower 5 727 Collins Street Melbourne VIC 3008
Solicitors	Minter Ellison Level 40, Governor Macquarie Tower 1 Farrer Place Sydney NSW 2000 Grillo Higgins Lawyers Level 20, 31 Queen Street Melbourne VIC 3000
Stock exchange listing	LatAm Autos Limited shares are listed on the Australian Securities Exchange (ASX code: LAA)
Website	www.latamautos.com
Annual General Meeting	LatAm Autos Limited advises that its Annual General Meeting will be held on Tuesday 7 May 2019. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all Shareholders and released to the ASX immediately after dispatch

Chairman's Letter

Dear Shareholders,

On behalf of the Company's Board of Directors and Management, I am pleased to present the 2018 Annual Report for LatAm Autos (ASX:LAA). LatAm Autos is owner of leading online vehicle transaction marketplaces in Mexico and Ecuador. In the calendar year 2018, the Company continued its strong growth trajectory in our key market of Mexico, particularly from cross sell products under the Motorfy brand, in addition to continued growth in Ecuador from both cross sell products and classifieds revenue streams.

In our fourth year as a listed company, we have seen significant benefits of providing car buyers and sellers with products and services, that assist them more widely in the overall transaction, that complements the core online classifieds business model. With over 6 million used car transactions and 1.5 million new car transactions in Mexico per year, the addressable market for both online classifieds and auto finance is significant, and our Mexican operation grew 63% in 2018, demonstrating the continued growth potential of our core market.

The company achieved a number of key milestones in the last year including the continued growth of revenues and profitability driven by the addition of several new loan products to the Motorfy platform, in addition to new products such as a mechanical warranty and substantial growth in total dealer users on the Motorfy platform.

Considerable resources have been invested in the development of the Motorfy app, with a continued focus on strengthening the user experience and product range available to dealer users, and increasing conversion rates of loan applications.

2019 promises to be an important step change for LatAm Autos with the introduction of prime loans to the Motorfy platform, providing a product for new car and prime used car buyers.

In 2018 we successfully completed capital raisings for a total of A$10.3 million, and we are strongly positioned to accelerate our strategy. In addition, the Company raised A$4.9 million in December 2017. The success of these raisings is a strong endorsement from investors on our achievements to date, and our strategy for the future. I would like to thank our shareholders for the tremendous support and confidence they have shown in our company.

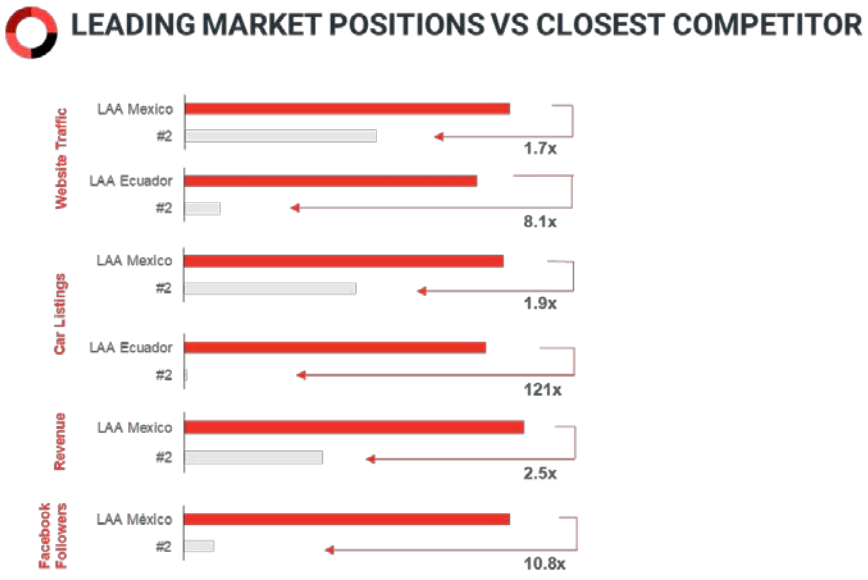
Yours sincerely,

Tim Handley
Executive Chairman

ACN 169 063 414
Level 4, 100 Albert Road, South Melbourne, Vic, 3205
Ph: 03 9692 7222 Fax: 03 9077 9233

Group Overview

LAA provides an online automotive classifieds marketplace, supplemented by a range of cross sell products such as finance, insurance and GPS tracking, focused on the Mexican and Ecuadorean markets.



1. Traffic source: Similarweb.com, traffic (organic and paid) as of Jan-2019. Similarweb.com is a third party service provider that provides estimates only, actual results may be significantly different to similarweb estimates. 2. Listings and Facebook followers for competitors as at Feb-2019. 3. Revenues from public announcements

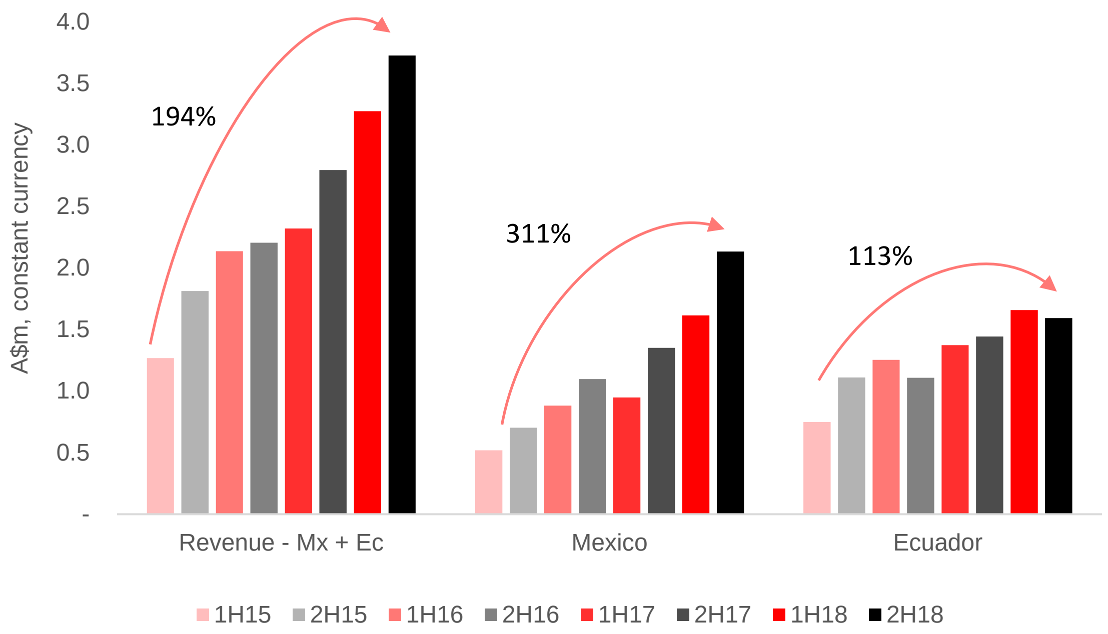
The 2018 calendar year saw continued strong overall growth of 63% in LAA's key market of Mexico, through a combination of strong growth in cross sell revenues, combined with modest growth in classifieds revenues. LAA is successfully evolving from a purely classifieds site to a complete vehicle transaction marketplace (VTMP). The launch of Motorfy, the digital "swiss army knife" for car dealers aims to facilitate all components of the car buying process.

Group highlights from FY18 (compared to FY17) included:

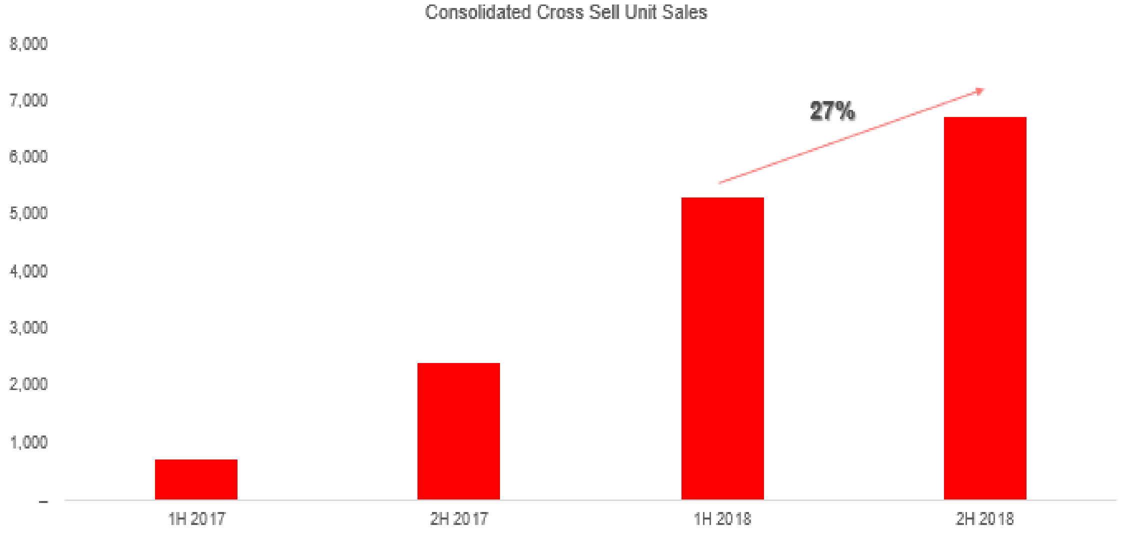
- In Mexico, revenues in local currency grew 63% whilst EBITDA improved 11%
- In Ecuador, revenues in local currency grew 17%
- Overall improvement in Adjusted EBITDA[1] of 13%
- Reduction in net operational cash outflows of 31%
- Growth in organic website traffic of 13% in Mexico and 5% in Ecuador
- Exceptional growth in cross sell products, representing 32% of overall revenues in 2018
    - 5% increase of cross sell revenues in Ecuador in local currency (launched in Dec-16)
    - 536% growth of cross sell revenues in Mexico in local currency (launched in Jul-17)
- Successful raising of A$10.3 million in total during 2018, through two capital raising processes (with an additional amount of A$4.9 million in December 2017)
- Total leads to car sellers in Mexico increased 31% year on year
- Ecuadorean business continues to be cashflow positive
- Total number of car dealers using our Motorfy product in Mexico continued to grow throughout the year

[1]Excludes share based payments under the STI and LTI employee incentive program

Half-yearly revenue since IPO (A$m, constant currency)



Half-yearly cross sell units



Mexico Highlights

- Local currency revenues grew 63% year on year to MXN$55 million (A$3.7 million), with cross sell revenue streams representing 43% of total revenues
- Local currency underlying EBITDA loss improved 11% year on year to -A$3.5m
- Organic (free) website traffic grew 13% on a full year basis, year on year
- Total leads[2] to car sellers grew significantly by 31% year on year
- The total number of dealers using Motorfy in Mexico continued to grow, reaching 432 Active dealers

In 2018, LatAm Autos' flagship Mexican business seminuevos.com generated 51% of FY18 in revenues, combining continued growth in revenues, from a lower cost base.

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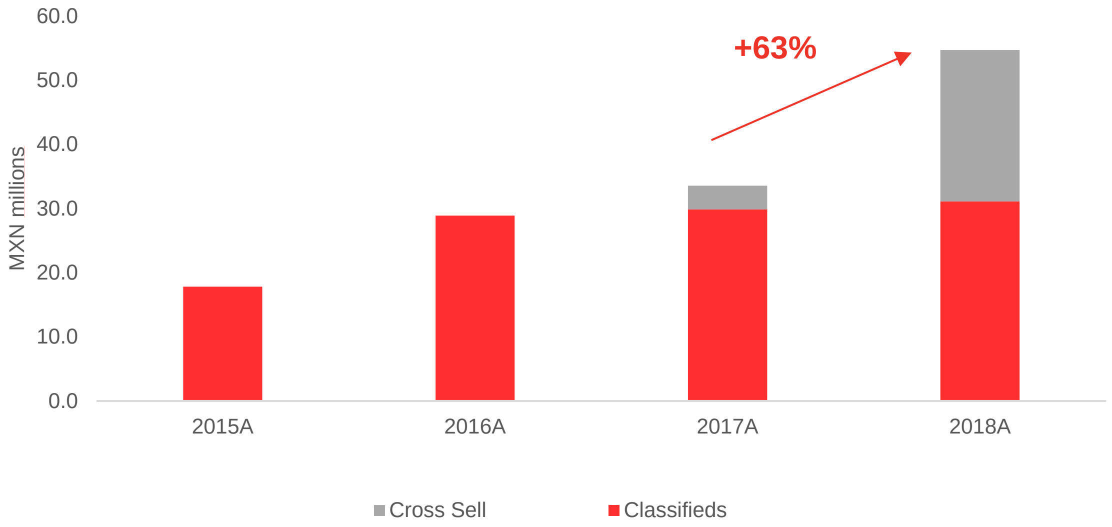
[2] Total leads include all enquiries generated through classifieds portals including click to reveal seller details, and leads for Cross Sell products. Organic traffic refers to SEO.

Annual revenues in Mexico (local currency)



Mexico continued to be the Company's primary focus in 2018 and beyond, given the large addressable market size of approximately 125 million population and an estimated 46 million cars in circulation.

Highlights of the 2018 year were the continued scale up of cross sell products in the Mexican market, addition of new loan products such as non-conforming loans, and an integration with Facebook marketplace.

At the end of January 2019, we have introduced prime loans as a part of the Motorfy platform, through a partnership with FinBe, allowing us to service existing and new customers bases, with different credit profiles.

Not only are these new cross sell products becoming popular with car dealers, they are high margin products from a company's perspective, the financial impacts are demonstrated by the improvements in EBITDA in the 2018 year as the proportion of revenues derived from cross sell products increases.

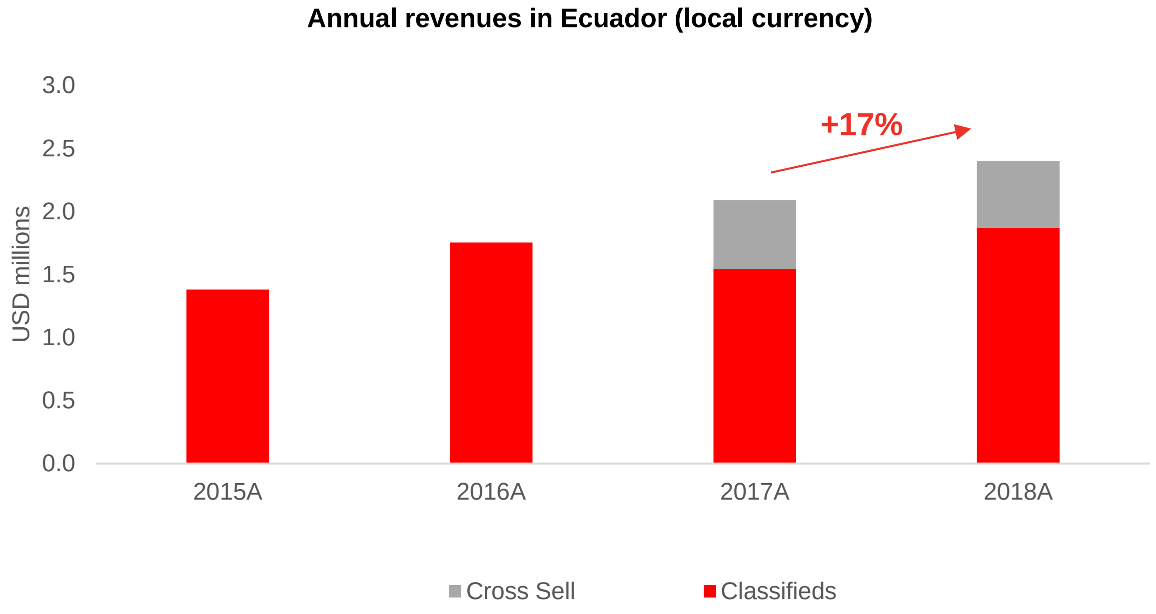
We estimate the auto finance market has potential for ~4.8 million new and used car loans per year in Mexico alone. Mexico's internet, banking and insurance penetration is considered low compared to other emerging markets, providing attractive macroeconomic upside potential.

Ecuador Highlights

LatAm Autos' Ecuadorean business patiotuerca.com grew its already dominant position as the leading auto classifieds website and recorded local currency revenue growth of 17% during the period. The Ecuadorean business continues to operate on a cashflow neutral basis, generating A$0.4m in EBITDA on an adjusted basis.

- Local currency revenues growth of 17% year on year to US$2.4 million, with cross sell revenue streams representing 24% of total revenues.
- Organic (free)[3] website traffic was up 5%, year on year

[3] Organic traffic refers to SEO



Whilst a smaller overall market based on population size of 17 million, the Company's strong market position provides attractive monetisation opportunities. Motorfy in Ecuador commenced in early 2017, and was traditionally focused on secured car loans but has since transformed towards unsecured auto loans, where we see a significant market opportunity for further growth.

Highlights of the 2018 year were the launch of our partnership with Chevrolet Ecuador, an online store where buyers can reserve their vehicle directly through our store, as well as the launch of our own branded GPS tracking device (PatioTuerca Connect), in partnership with the leading GPS tracking provider in Ecuador. Separately, agreements with General Motors and Changan have been signed in relation to the provision of services in relation to lead generation, customer surveys, credit preapprovals and test drive scheduling.

The directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity') consisting of LatAm Autos Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2018.

Directors

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

Timothy Handley (Executive Chairman)
Jorge Mejia (Executive Director & Chief Executive Officer)
Simon Clausen (Non-Executive Director)
Michael Fitzpatrick (Non-Executive Director)
Colin Galbraith (Non-Executive Director)
Gareth Bannan (Alternate Director)
Cameron Griffin (Alternate Director)

Principal activities

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

Dividends

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

Review of operations

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

Significant changes in the state of affairs

On 17 January 2018 the Company announced the results of the Share Purchase Plan which was strongly supported by Eligible Shareholders and was oversubscribed with the Company receiving applications totalling $1.67 million. In total the Company raised $7.17 million in two tranches:

- Placement - $5.5 million through a placement announced to ASX on 11 December 2017 to institutional and sophisticated investors in Australia and selected overseas jurisdictions; Senior Management and Directors (subject to shareholder approval at the General Meeting to be held on 9 March 2018). $4.7 million of this was received in December 2017, with the balance of $0.8 million (being the Directors portion of the placement) was received in March/April 2018 following the General Meeting.

- Share Purchase Plan - $1.67 million through a Share Purchase Plan which closed on 12 January 2018.

On 4 April 2018 the Company issued 5,850,376 fully paid ordinary shares and 5,850,376 unlisted options to Directors in relation to their participation in the placement, following shareholder approval at the General Meeting held on 9 March 2018. The Company also issued 1,155,437 unlisted options, exercisable at $0.17 (17 cents) each, expiring 31 December 2019 to various parties.

On 14 June 2018 the Company issued a total of 6,586,554 fully paid ordinary shares, with 6,379,498 issued at $0.14 (14 cents) in relation to short term incentive bonus shares issued to employees (including Directors, following shareholder approval at the Company’s Annual General Meeting held on 18 May 2018, and 207,056 fully paid ordinary shares to a consultant in consideration for services provided. The Company also issued 1,949,999 performance rights to employees (including Directors, following shareholder approval at the Company’s Annual General Meeting held on 18 May 2018.

On 21 August 2018, the Company issued 1,293,810 fully paid ordinary shares at an issue price of $0.17 per share to exercise of unlisted options.

On 31 August 2018, the Company issued 17,857 fully paid ordinary shares at an issue price of $0.17 per share to exercise of unlisted options.

On 10 September 2018, the Company raised $8.0 million through the issue of a total of 40,000,000 fully paid ordinary shares at an issue price of $0.20 per share to institutional and sophisticated investors.

On 19 October 2018, the Company issued a total of 5,768,798 fully paid ordinary shares, with 5,343,750 issued at a deemed issue price of $0.16 per share in relation to the conversion of Convertible Notes by various Note holders, 342,857 at a deemed issue price of $0.14 per share to a consultant in consideration for services provided and 82,191 at a deemed issue price of $0.1825 per share to a consultant in consideration for services provided.

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

Matters subsequent to the end of the financial year
On 5 February 2019, the Company issued a 222,737 fully paid ordinary shares at an issue price of $0.2155 to a consultant in consideration of services provided and 390,000 fully paid ordinary shares at an issue price of $0.20 per share to an employee.

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

Likely developments and expected results of operations
Off the back of strong operational performance in 2018, measured by substantial revenue growth, reduction in net operating cash outflows and operating metrics, the Company continues to make progress in its goal of becoming a dominant online auto classifieds business in Mexico and Ecuador.

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

Information on directors

Name:	Tim Handley
Title:	Executive Chairman
Qualifications:	Tim holds a Bachelor of Engineering degree (Honours) from the University of Melbourne, and a Masters of Commerce degree (major in Finance and Accounting) from the University of Sydney
Experience and expertise:	Tim is a co-founder and Director of LatAm Autos. Prior to co-founding LatAm Autos in early 2014, Tim worked for 11 years' in mergers & acquisitions, equity and debt capital markets experience (including 7 years in Latin America). Previously Tim worked at Gresham Partners and UBS. Tim also founded and was managing director of Chestnut Partners, a São Paulo, Brazil based corporate finance advisory business where he advised several leading Australian organisations on acquisitions and investments in Latin America.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	26,919,717 fully paid ordinary shares
Interests in options:	112,782 unlisted options
Interests in rights:	900,000 performance rights

Name:	Jorge Mejia
Title:	Executive Director & Chief Executive Officer
Qualifications:	Jorge holds a Bachelor and a Master in Human Resources Development, both from the Palm Beach Atlantic University, USA. He is a founding member and President of Internet Advertising Bureau Ecuador.
Experience and expertise:	Jorge has served as the Chief Executive Officer of LatAm Autos Limited since October 2014 and has overseen the Company's business acquisitions, ASX listing and significant development. Jorge is an experienced Latin America digital media executive. 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, 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.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	14,781,447 fully paid ordinary shares
Interests in options:	187,970 unlisted options
Interests in rights:	900,000 performance rights

Name:	Simon Clausen
Title:	Non-Executive Director
Experience and expertise:	Simon has more than 18 years' experience in high growth technology businesses in both Australia, United States and Asia. His technical expertise includes proficiency in multiple software development languages, computer security and vulnerability analysis, and he is co-author and inventor of a number of technology patents. Focusing on consumer-centric software and Internet-enabled technology he founded and was CEO of WinGuides, which later became PC Tools. With Simon as CEO PC Tools grew to over $100m in revenue, more than 250 employees and offices in 7 countries. PC Tools was acquired by Symantec Corporation (NASDAQ:SYMC) in October 2008 in one of Australia's largest ever technology acquisitions at the time. Following the acquisition Simon became a Vice President at Symantec, before leaving in 2009 and founding Startive Ventures, a specialised technology venture fund. In addition to numerous private company investments, Simon is a founding investor and non-executive director of Freelancer.com (ASX:FLN), the world's largest online marketplace for outsourcing, freelancing and crowdsourcing services.
Other current directorships:	Freelancer Limited (appointed April 2010)
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	29,839,290 fully paid ordinary shares
Interests in options:	964,290 unlisted options
Interests in rights:	663,003 Convertible notes

Name:	Michael Fitzpatrick
Title:	Non-Executive Director
Qualifications:	Bachelor of Engineering with honours from the University of Western Australia and a Bachelor of Arts with Honours from Oxford University, where he was the 1975 Rhodes Scholar from Western Australia
Experience and expertise:	Mike Fitzpatrick has over 40 years in the financial services sector. Committed to sustainability, Mike and his associated interests have made a range of sustainable investments in renewable energy generation and technology development, as well as energy efficiency and sustainability. Mike is a former director of Pacific Current Group (formerly Treasury Group Limited), having joined the board in 2004, and acted as Chairman for over a decade. Pacific Current is an incubator of fund management companies. He also holds a number of other non executive directorships, including Infrastructure Capital Group and Carnegie Clean Energy Limited. In 1994 Mike founded Hastings Funds Management Ltd (‘Hastings’), the pioneering infrastructure asset management company where he was Managing Director until he sold his interest in 2005. Hastings was then one of the largest managers of infrastructure and alternative assets in Australia (including infrastructure, high yield debt, private equity and timberland) managing investments of approximately A$3.8 billion. Prior to establishing Hastings, Mike was a director of CS First Boston. He also previously held positions with Merrill Lynch and First Boston in New York, the Victorian Treasury and Telecom Australia. Mike is a former chairman of Victorian Funds Management Corporation, the Australian Football League and the Australian Sports Commission, a former director of Rio Tinto Limited and Rio Tinto plc, a former member of the Melbourne Park Tennis Centre Trust, a former director of the Carlton Football Club and a former director of the Walter & Eliza Hall Institute of Medical Research..
Other current directorships:	Carnegie Clean Energy Limited (appointed 2012)
Former directorships (last 3 years):	Pacific Current Group Limited
Special responsibilities:	None
Interests in shares:	41,234,274 fully paid ordinary shares
Interests in options:	3,571,429 unlisted options
Interests in rights:	5,105,722 Convertible notes

Name:	Colin Galbraith AM
Title:	Non-Executive Director
Qualifications:	Bachelor of Laws (Hons) and a Master of Laws from the University of Melbourne
Experience and expertise:	Colin is a Special Advisor to Gresham Partners Limited. He joined Gresham in 2006 after 28 years as a partner of Allens Arthur Robinson. He is the Chair of CARE Australia (Chair), a Director of the Colonial Foundation and a Trustee of the Royal Melbourne Hospital Neuroscience Foundation.
Other current directorships:	None
Former directorships (last 3 years):	Arrium Limited (appointed October 2000, retired 2015)
Special responsibilities:	None
Interests in shares:	2,021,396 fully paid ordinary shares
Interests in options:	714,284 unlisted options

Name:	Gareth Bannan
Title:	Alternate Director
Qualifications:	Bachelor of Economics and Master of Finance, both from the University of New Wales
Experience and expertise:	Gareth Bannan is co-founder, joint company secretary and Chief Financial Officer of the Company. Gareth has 14 years' financial management, mergers & acquisitions and capital markets experience (including 7 years in Latin America), and previously worked at Chestnut Partners (São Paulo), KPMG Corporate Finance (Sydney) and Rabobank (Sydney). Gareth has extensive operating and advisory experience in online classified companies in Latin America.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chief Financial Officer; Joint Company Secretary
Interests in shares:	21,094,937 fully paid ordinary shares
Interests in options:	513,905 unlisted options
Interests in rights:	650,000 performance rights

Name:	Cameron Griffin
Title:	Alternate Director
Qualifications:	Bachelor of Commerce., CA
Experience and expertise:	Cameron has 20 years of finance and investment industry experience having worked in Australia, the United Kingdom and the United States of America. Cameron currently runs the direct investment portfolio at Squitchy Lane Holdings, the private investment vehicle of the Fitzpatrick family office. Cameron previously held investment and advisory roles at Hastings Funds Management Ltd and EY (Corporate Finance). Cameron's other external appointments include directorships at AgCap Pty Ltd, as well as a board observer role at Proterra, Inc, a US manufacturer of zero emission electric buses. Cameron holds a Bachelor of Commerce from the University of Melbourne, is a Chartered Accountant and has completed post graduate studies at Harvard Business School.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None

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

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

Company secretaries

Melanie Leydin is joint company secretary and has 24 years' experience in the accounting profession and is a director and company secretary for a number of oil and gas, junior mining and exploration entities listed on the Australian Securities Exchange. She is a Chartered Accountant and is a Registered Company Auditor. She Graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of chartered accounting firm, Leydin Freyer, and Director of Leydin Freyer Corp Pty Ltd, specialising in outsourced company secretarial and financial duties for resources and biotechnology sectors.

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

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2018, and the number of meetings attended by each director were:

	Full Board Held	Full Board Attended
Tim Handley	14	13
Jorge Mejia	14	13
Simon Clausen	14	13
Mike Fitzpatrick	14	14
Colin Galbraith	14	12
Gareth Bannan	14	14
Cameron Griffin	14	13

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

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

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

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

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

Principles used to determine the nature and amount of remuneration
The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms to the market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

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

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

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

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

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

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

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

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

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

The executive remuneration and reward framework has three components:

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

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

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

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

Short term incentive plan (STI)
Short-term incentives are used to differentiate rewards based on performance on a year-by-year basis. The principal performance indicator of the short-term incentive plan is based on the Company's financial performance and individual achievement of specified goals. The threshold level can differ for each individual and are reviewed each year. The Company has approved predetermined performance targets that must be met in order to trigger payments under the STI. Payments are made in the form of cash and/or shares. Key Management Personnel of the Consolidated Entity are eligible to participate in the STI program.

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

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

Senior Executive Remuneration

LatAm's Executive Remuneration program continues to evolve as we grow.

Our goal is to retain, attract and motivate highly qualified and experienced individuals forming part of the management team with the necessary abilities and characteristics to lead our people in creating value for our shareholders and achieving our long and short term objectives

Our remuneration program aims to encourage a collaborative approach in the pursuit of our goals by rewarding the achievement of both overall group and individual targets.

The targets we have set are a combination of financial and non-financial targets. They are clear and challenging. There is a mixture of targets within the control of individuals to achieve either directly through their own actions or through the actions of the people that they lead.

The objective of our Executive Remuneration program is to ensure that it is competitive and appropriate against the outcomes and results achieved.

The Board aims to reward executives in line with market practice, taking into account their position, responsibilities and performance within the Group and benchmarked against peer organisations.

The key components of executive remuneration have a mix of fixed and variable (at risk) pay and short and long term incentives.

The key Components are as follows:

Fixed Remuneration: Annual remuneration paid regularly in the form of base pay (cash), superannuation and where relevant other applicable allowances. This component is not at risk and is independently benchmarked against comparable roles.

Short term Incentive:
Annual, variable at risk opportunity, linked to the achievement of specific objectives in a given performance period. It is designed to achieve and exceed annual targets. Targets are communicated at the beginning of the financial year in conjunction with reviewing the budget at the start of the performance period encompassing both financial and non-financial components. Each component is assessed individually at the end of the performance period to determine the incentive amount payable.

Long Term Incentive:
Annual grant of Performance Rights to Senior Executive's that encourages the alignment with shareholder interests. Performance rights vest over a 4 year period dependent on meeting respective service conditions and performance conditions. Up to 50% of the Performance Rights vest in the proportions details below if the Total Shareholder Return (TSR) for LatAm Autos outperforms the TSR of the constituent companies over the measurement period. The TSR hurdles are split 50% based on the relevant LTI Peer Group set for each year and 50% on the LTI Global Industry Classification Standard (GICS) Group (Software & Services) set each year over the measurement period. The proportion of vesting is dependent on LatAm's performance against these hurdles with 100% vesting only occurring if LatAm's TSR is greater than the 75th percentile.

TSR Conditions

Between 50% and 100% of the performance rights subject to the TSR hurdle will vest on a straight-line interpolation basis if the Company's TSR is between the 50th percentile and the 75th percentile with 100% vesting above the 75th percentile. No TSR performance rights will vest if the Company's TSR is below the 50th percentile. Actual performance over the relevant performance period applicable to the TSR performance hurdle will determine the level of vesting against that hurdle.

Long Term Incentive awards do not carry the right to a cash dividend prior to the vesting date.

Long Term Incentive performance rights do not entitle the holders to any voting rights at a meeting of shareholders.

The Board takes a proactive and robust discussion and decision making approach in the governance and evaluation of the executive remuneration, to balance the interests of shareholders and the achievement of operational and organisation behaviour objectives.

During the year the Company’s Chief Executive Officer, Jorge Mejia reverted back to this original base salary which was reduced by 25% in 2017 as a commitment to cash burn reduction. This revision back to this original base salary was effective 1 July 2018. The Board continue to be committed to competitive rewards, reflective of the stage of growth of LatAm Autos.

Voting and comments made at the Company's 2017 Annual General Meeting ('AGM')
At the 18 May 2018 AGM, 97% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2017. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

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

The key management personnel of the Consolidated Entity consisted of the following directors of LatAm Autos Limited:
- Tim Handley (Executive Chairman)
- Jorge Mejía (Executive Director & Chief Executive Officer)
- Simon Clausen (Non-Executive Director)
- Michael Fitzpatrick (Non-Executive Director)
- Colin Galbraith (Non-Executive Director)

And the following person:
- Gareth Bannan (Chief Financial Officer, Joint Company Secretary and Alternate Director)

	Short-term benefits				Post-employment benefits		Share-based payments	
2018	Cash salary and fees $	Bonus * shares issued $	Cash expense allowance $	Annual leave $	Super-annuation $	Other long-term incentives $	Equity-Settled (Performance Rights) $	Total $
Non-Executive Directors:								
Mr S Clausen	55,000	-	-	-	-	-	-	55,000
Mr M Fitzpatrick	50,228	-	-	-	4,772	-	-	55,000
Mr C Galbraith	50,228	-	-	-	4,772	-	-	55,000
Executive Directors:								
Mr T Handley	262,356	61,600	-	20,181	24,924	-	33,250	402,311
Mr J Mejia	281,628	262,000	-	-	-	-	47,691	591,319
Other Key Management Personnel:								
Mr G Bannan	200,919	35,030	-	6,972	-	-	26,072	268,993
	900,359	358,630	-	27,153	34,468	-	107,013	1,427,623

*Part or all of these values relate to the difference between accrued and actual STIs awarded in 2017, and estimated STIs for 2018.

	Short-term benefits				Post-employment benefits		Share-based payments	
2017	Cash salary and fees $	Bonus shares issued $	Cash expense allowance $	Annual leave $	Super-annuation $	Other long-term incentives $	Equity-Settled (Performance Rights) $	Total $
Non-Executive Directors:								
Mr S Clausen	55,000	-	-	-	-	-	-	55,000
Mr M Fitzpatrick	50,228	-	-	-	4,772	-	-	55,000
Mr C Galbraith	50,228	-	-	-	4,772	-	-	55,000
Executive Directors:								
Mr T Handley	291,466	70,000	-	-	27,689	-	28,874	418,029
Mr J Mejía	256,410	70,000	26,752	-	-	-	43,315	396,477
Other Key Management Personnel:								
Mr G Bannan	212,016	38,750	15,540	8,834	-	-	22,912	298,052
	915,348	178,750	42,292	8,834	37,233	-	95,101	1,277,558

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

	Fixed remuneration		At risk - STI		At risk – LTI	
Name	2018	2017	2018	2017	2018	2017
Non-Executive Directors:						
Mr S Clausen	100%	100%	-	-	-	-
Mr M Fitzpatrick	100%	100%	-	-	-	-
Mr C Galbraith	100%	100%	-	-	-	-
Executive Directors:						
Mr T Handley	77%	76%	15%	17%	8%	7%
Other Key Management Personnel:						
Mr J Mejía	48%	71%	44%	18%	8%	11%
Mr G Bannan	77%	79%	13%	13%	10%	8%

Service agreements

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

Name:	Tim Handley
Title:	Executive Chairman
Agreement commenced:	1 August 2016
Term of agreement:	No fixed term
Details:	Base Salary cost is AUD $262,356, plus superannuation. Superannuation will be paid in accordance with the relevant legislation as amended from time to time, and into a superannuation fund nominated by the Employee in accordance with legislation. If the Consolidated Entity (and subject to Board approval) is satisfied that the Employee has met or exceeded the Key Performance Indicators (KPIs) agreed with the Employee in writing from time to time, the Consolidated Entity may at its sole discretion provide the Employee an incentive payment, the amount and terms of which shall be determined from time to time by the Board in cash and or in Shares, issued in accordance with the Consolidated Entity's Equity Incentive Plan, subject to approval by the members of the Consolidated Entity. The KPIs will be determined from time to time and shall be designed to align the interests of the Employee with the interests of the Consolidated Entity's shareholders.
Name:	Jorge Mejía
Title:	Chief Executive Officer
Agreement commenced:	December 2014
Term of agreement:	3 years. 3 months’ termination notice to Adminweb S.A. (or payment in lieu of notice)
Details:	Base Salary cost is USD $210,000 If the Consolidated Entity (and subject to Board approval) is satisfied that the Employee has met or exceeded the Key Performance Indicators (KPIs) agreed with the Employee in writing from time to time, the Consolidated Entity may at its sole discretion provide the Employee an incentive payment, the amount and terms of which shall be determined from time to time by the Board in cash and or in Shares, issued in accordance with the Consolidated Entity's Equity Incentive Plan, subject to approval by the members of the Consolidated Entity. The KPIs will be determined from time to time and shall be designed to align the interests of the Employee with the interests of the Consolidated Entity's shareholders.
Name:	Gareth Bannan
Title:	Chief Financial Officer
Agreement commenced:	November 2014
Term of agreement:	3 years, 3 months' termination notice (or payment in lieu of notice)
Details:	Base Salary cost is AUD $200,919 If the Consolidated Entity (and subject to Board approval) is satisfied that the Employee has met or exceeded the Key Performance Indicators (KPIs) agreed with the Employee in writing from time to time, the Consolidated Entity may at its sole discretion provide the Employee an incentive payment, the amount and terms of which shall be determined from time to time by the Board in cash and or in Shares, issued in accordance with the Consolidated Entity's Equity Incentive Plan, subject to approval by the members of the Consolidated Entity. The KPIs will be determined from time to time and shall be designed to align the interests of the Employee with the interests of the Consolidated Entity's shareholders.

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

Share-based compensation

Issue of shares
Details of shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2018 are set out below:

Name	Date	Shares	Issue price	$
Jorge Mejia	14 June 2018	1,300,000	$0.1400	182,000
Tim Handley	14 June 2018	940,000	$0.1400	131,600
Gareth Bannan	14 June 2018	527,000	$0.1400	73,780

**The shares noted above are not included in the 2018 remuneration report, as these shares related to the 2017 financial year.*

Options
There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 31 December 2018.

Performance rights

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

Name	Number of rights granted	Grant date	Vesting date	Expiry date	Fair value per right at grant date
Tim Handley - Performance Rights Tranche A	208,333	27-Jul-15	31-Dec-2018	30-Jan-2019	$0.159
Tim Handley - Performance Rights Tranche B	208,333	27-Jul-15	31-Dec-2018	30-Jan-2019	$0.168
Jorge Mejía - Performance Rights Tranche A	366,667	27-Jul-15	31-Dec-2018	30-Jan-2019	$0.159
Jorge Mejía - Performance Rights Tranche B	366,667	27-Jul-15	31-Dec-2018	30-Jan-2019	$0.168
Gareth Bannan - Performance Rights Tranche A	166,667	13-Jan-16	31-Dec-2018	30-Jan-2019	$0.159
Gareth Bannan - Performance Rights Tranche B	166,667	13-Jan-16	31-Dec-2018	30-Jan-2019	$0.168
Tim Handley - Performance Rights Tranche A	150,000	16-May-16	31-Dec-2019	31-Jan-2020	$0.101
Tim Handley - Performance Rights Tranche B	150,000	16-May-16	31-Dec-2019	31-Jan-2020	$0.136
Jorge Mejía - Performance Rights Tranche A	150,000	18-Mar-16	31-Dec-2019	31-Jan-2020	$0.081
Jorge Mejía - Performance Rights Tranche B	150,000	18-Mar-16	31-Dec-2019	31-Jan-2020	$0.107
Gareth Bannan - Performance Rights Tranche A	108,333	16-May-16	31-Dec-2019	31-Jan-2020	$0.101
Gareth Bannan - Performance Rights Tranche B	108,334	16-May-16	31-Dec-2019	31-Jan-2020	$0.137
Tim Handley - Performance Rights Tranche A	150,000	17-Jul-17	31-May-2021	31-May-2021	$0.016
Tim Handley - Performance Rights Tranche B	150,000	17-Jul-17	31-May-2021	31-May-2021	$0.018
Jorge Mejía - Performance Rights Tranche A	150,000	17-Jul-17	31-May-2021	31-May-2021	$0.016
Jorge Mejía - Performance Rights Tranche B	150,000	17-Jul-17	31-May-2021	31-May-2021	$0.018
Gareth Bannan - Performance Rights Tranche A	108,333	17-Jul-17	31-May-2021	31-May-2021	$0.016

Gareth Bannan - Performance Rights Tranche B	108,334	17-Jul-17	31-May-2021	31-May-2021	$0.018
Tim Handley - Performance Rights Tranche A	150,000	14-Jun-18	31-Dec-2021	31-Jan-2022	$0.075
Tim Handley - Performance Rights Tranche B	150,000	14-Jun-18	31-Dec-2021	31-Jan-2022	$0.080
Jorge Mejía - Performance Rights Tranche A	150,000	14-Jun-18	31-Dec-2021	31-Jan-2022	$0.075
Jorge Mejía - Performance Rights Tranche B	150,000	14-Jun-18	31-Dec-2021	31-Jan-2022	$0.080
Gareth Bannan - Performance Rights Tranche A	108,334	14-Jun-18	31-Dec-2021	31-Jan-2022	$0.075
Gareth Bannan - Performance Rights Tranche B	108,334	14-Jun-18	31-Dec-2021	31-Jan-2022	$0.080

Performance rights granted carry no dividend or voting rights.

Additional information

The earnings of the Consolidated Entity for the five years to 31 December 2018 are summarised below:

	2018 $'000	2017 $'000	2016 $'000	2015 $'000	2014 $'000
Sales revenue from continuing operations	7,544	5,566	5,392	6,357	926
EBITDA from continuing operations	(9,080)	(9,651)	(11,435)	(11,939)	(3,130)
EBIT from continuing operations	(13,020)	(12,742)	(13,218)	(13,228)	(3,177)
Loss after income tax from continuing operations	(13,061)	(12,485)	(12,794)	(14,448)	(1,841)
EBITDA from continuing operations excluding Share based payments	(7,929)	(9,133)	(13,154)	(10,675)	(3,130)

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

	31/12/2018	31/12/2017	31/12/2016	31/12/2015
Share price at financial year end ($)	0.14	0.14	0.19	0.30
Basic earnings per share (cents per share) from continuing operations	(3.44)	(3.99)	(4.13)	(5.77)
Diluted earnings per share (cents per share) from continuing operations	(3.44)	(3.99)	(4.13)	(5.77)

Additional disclosures relating to key management personnel

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Mr T Handley	28,366,935	940,000	112,782	(2,500,000)	26,919,717
Mr S Clausen	26,500,000	-	3,339,290	-	29,839,290
Mr M Fitzpatrick	37,662,845	-	3,571,429	-	41,234,274
Mr C Galbraith	1,307,112	-	714,284	-	2,021,396
Mr J Mejia	13,293,477	1,300,000	187,970	-	14,781,447
Mr G Bannan	20,054,032	527,000	513,905	-	21,094,937
	127,184,401	2,767,000	8,439,660	(2,500,000)	135,891,061

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

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other*	Balance at the end of the year
Performance rights					
Mr T Handley	1,016,666	300,000	-	(416,666)	900,000
Mr J Mejía	1,333,334	300,000	-	(733,334)	900,000
Mr G Bannan	766,668	216,667	-	(333,335)	650,000
	3,116,668	816,667	-	(1,483,335)	2,450,000

During the year, the Performance Rights which were granted in 2015 came up for vesting on 31 December 2018. The performance rights were subject to certain service and performance conditions being met as at the vesting date. Following an analysis of the relevant service and performance conditions by the Company, all of the 2015 Performance Rights lapsed.

* The performance rights which lapsed as at 31 December 2018 were originally granted on 27 July 2015.

This concludes the remuneration report, which has been audited.

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

Grant date	Expiry date	Exercise price	Number of shares
22 January 2018	31 December 2019	$0.1700	42,894,271
4 April 2018	31 December 2019	$0.1700	7,005,813
			49,900,084

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

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

Performance rights series and Grant date	Vesting date	Exercise price	Number under rights
Performance rights - 18 March 2016	31 December 2019	$0.0000	900,000
Performance rights - 16 May 2016	31 December 2019	$0.0000	516,667
Performance rights - 17 July 2017	31 May 2021	$0.0000	1,783,332
Performance rights - 14 June 2018	31 December 2021	$0.0000	1,949,999
			5,149,998

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

Shares issued on the exercise of options
The following ordinary shares of LatAm Autos Limited were issued during the year ended 31 December 2018 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
22 January 2018	$0.1700	1,293,810
22 January 2018	$0.1700	17,857
		1,311,667

Shares issued on the exercise of performance rights
There were no ordinary shares of LatAm Autos Limited issued on the exercise of performance rights during the year ended 31 December 2018 and up to the date of this report.

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

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

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

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

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

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

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

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

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

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

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

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

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

On behalf of the directors

Tim Handley
Executive Chairman

29 March 2019

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Auditor's Independence Declaration

To the Directors of LatAm Autos Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of LatAm Autos Limited for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Michael Climpson
Partner

Melbourne, 29 March 2019

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

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000
Revenue from continuing operations	5	7,544	5,566
Expenses			
Commissions and related expenses		(1,368)	(1,224)
Printing costs		(612)	(567)
Advertising expenses		(2,841)	(3,066)
Employee benefits expense	6	(7,801)	(6,433)
Depreciation and amortisation expense	6	(2,143)	(1,997)
Impairment of assets	6	(258)	(180)
Operating lease expense	6	(508)	(454)
Professional and consulting fees expense		(1,394)	(1,518)
Travel expense		(241)	(299)
Technology expenses		(555)	(461)
Loss on redemption of convertible notes		(235)	-
Other expenses		(1,304)	(1,195)
Finance costs and related costs	6	(1,304)	(914)
Loss before income tax (expense)/benefit from continuing operations		(13,020)	(12,742)
Income tax (expense)/benefit	7	(41)	257
Loss after income tax (expense)/benefit from continuing operations		(13,061)	(12,485)
Loss after income tax expense from discontinued operations	8	(72)	(1,465)
Loss after income tax (expense)/benefit for the year attributable to the owners of LatAm Autos Limited	26	(13,133)	(13,950)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation - exchange differences on translating foreign operations and subsidiaries		2,172	(1,914)
Other comprehensive income for the year, net of tax		2,172	(1,914)
Total comprehensive income for the year attributable to the owners of LatAm Autos Limited		(10,961)	(15,864)
Total comprehensive income for the year is attributable to:			
Continuing operations		(10,902)	(14,136)
Discontinued operations		(59)	(1,728)
		(10,961)	(15,864)

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

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

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000
		Cents	**Cents**
Earnings per share for loss from continuing operations attributable to the owners of LatAm Autos Limited			
Basic earnings per share	39	(3.44)	(3.99)
Diluted earnings per share	39	(3.44)	(3.99)
Earnings per share for loss from discontinued operations attributable to the owners of LatAm Autos Limited			
Basic earnings per share	39	(0.02)	(0.47)
Diluted earnings per share	39	(0.02)	(0.47)
Earnings per share for loss attributable to the owners of LatAm Autos Limited			
Basic earnings per share	39	(3.46)	(4.46)
Diluted earnings per share	39	(3.46)	(4.46)

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

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

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000
Assets			
Current assets			
Cash and cash equivalents	9	6,600	6,789
Trade and other receivables	10	2,838	4,063
Other	11	371	301
Total current assets		9,809	11,153
Non-current assets			
Other receivables	12	889	-
Plant and equipment	13	352	352
Intangibles	14	23,321	21,811
Deferred tax	15	593	548
Total non-current assets		25,155	22,711
Total assets		34,964	33,864
Liabilities			
Current liabilities			
Trade and other payables	16	4,780	3,128
Employee benefits	17	1,047	837
Provisions	18	45	156
Contract liabilities - deferred service income	19	260	287
Total current liabilities		6,132	4,408
Non-current liabilities			
Deferred tax	20	624	612
Employee benefits	21	254	230
Convertible Note	22	6,913	9,122
Total non-current liabilities		7,791	9,964
Total liabilities		13,923	14,372
Net assets		21,041	19,492
Equity			
Issued capital	23	76,306	63,970
Other contributed equity	24	1,693	1,491
Reserves	25	1,858	(50)
Accumulated losses	26	(58,816)	(45,919)
Total equity		21,041	19,492

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

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

Consolidated	**Issued capital $'000**	**Share based payments reserve $'000**	**Foreign currency translation reserve $'000**	**Other contributed equity $'000**	**Accumulated losses $'000**	**Total equity $'000**
Balance at 1 January 2017	59,647	230	1,470	-	(31,969)	29,378
Loss after income tax benefit for the year	-	-	-	-	(13,950)	(13,950)
Other comprehensive income for the year, net of tax	-	-	(1,914)	-	-	(1,914)
Total comprehensive income for the year	-	-	(1,914)	-	(13,950)	(15,864)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 23)	4,155	-	-	-	-	4,155
Share-based payments (note 40)	168	164	-	-	-	332
Value of conversion rights on convertible notes	-	-	-	1,394	-	1,394
Other contributed equity	-	-	-	97	-	97
Balance at 31 December 2017	63,970	394	(444)	1,491	(45,919)	19,492

Consolidated	**Issued capital $'000**	**Share based payments reserve $'000**	**Foreign currency translation reserve $'000**	**Other contributed equity $'000**	**Accumulated losses $'000**	**Total equity $'000**
Balance at 1 January 2018	63,970	394	(444)	1,491	(45,919)	19,492
Loss after income tax expense for the year	-	-	-	-	(13,133)	(13,133)
Other comprehensive income for the year, net of tax	-	-	2,172	-	-	2,172
Total comprehensive income for the year	-	-	2,172	-	(13,133)	(10,961)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 23)	12,336	-	-	-	-	12,336
Share-based payments (note 40)	-	162	-	-	-	162
Other contributed equity	-	-	-	202	-	202
AABS 9 First Adoption	-	-	-	-	(190)	(190)
Transfer of reserve	-	(426)	-	-	426	-
Balance at 31 December 2018	76,306	130	1,728	1,693	(58,816)	21,041

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

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

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST and equivalents)		9,846	7,024
Payments to suppliers and employees (inclusive of GST and equivalents)		(16,502)	(17,324)
		(6,656)	(10,300)
Interest received		36	10
Other - Net Sales tax recovered/(paid)		(120)	(69)
Net cash used in operating activities	38	(6,740)	(10,359)
Cash flows from investing activities			
Payments for plant and equipment	13	(123)	(35)
Payments for intangibles	14	(702)	(1,008)
Net cash used in investing activities		(825)	(1,043)
Cash flows from financing activities			
Proceeds from issue of shares	23	10,687	4,663
Proceeds from convertible note		-	10,000
Capital raising costs		(357)	(1,069)
Repayment of convertible note		(2,945)	-
Net cash from financing activities		7,385	13,594
Net increase/(decrease) in cash and cash equivalents		(180)	2,192
Cash and cash equivalents at the beginning of the financial year		6,789	4,915
Effects of exchange rate changes on cash and cash equivalents		(9)	(318)
Cash and cash equivalents at the end of the financial year	9	6,600	6,789

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

Note 1. General information

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

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

Registered office	**Principal place of business**
Level 4 100 Albert Road South Melbourne VIC 3205, Australia Tel: +61 (3) 9692 7222	Latamautos Corporación S.A. Isla Pinzon y Tomas de Berlanga Quito, Ecuador Tel: +593 2 393 2200

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 March 2019. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments (2014) became mandatorily effective on 1 January 2018. Accordingly, these standards apply for the first time to this set of financial statements. The nature and effect of changes arising from these standards are summarised later in this section.

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Consolidated Entity incurred a loss before tax of $13,020,000 (2017: $12,742,000) and had net cash outflows from operating activities of $6,740,000 (2017: $10,359,000). As at 31 December 2018, the Consolidated Entity´s cash position is $6,600,000. Until such time as the Consolidated Entity´s revenue growth is sufficient to result in a profitable annual trading result, the risk of material uncertainty in relation to going concern will exist, and the Consolidated Entity may be reliant on its ability to raise capital.

During the 2018, the Consolidated Entity raised $10,300,000 from successful capital raises and reduced the value of convertible notes issued. The Consolidated Entity´s trading performance is showing continual improvement, which is broadly in line with management's projections. Cash flow forecasts prepared by management project that the Consolidated Entity has sufficient funds to meet commitments over the next twelve months. Accordingly, the Directors believe the Consolidated Entity will continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

New Accounting Standards and Interpretations adopted as at 1 January 2018

AASB 15: Revenue from Contracts with Customers

Note 2. Significant accounting policies (continued)

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. The new Standard has been applied as at 1 January 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 January 2018 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete as at 1 January 2018.

The standard require:

- contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract
- determination of the transaction price, adjusted for the time value of money excluding credit risk
- allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist
- recognition of revenue when each performance obligation is satisfied

Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers, the significant judgements made in applying the guidance to those contracts, and any assets recognised from the costs to obtain or fulfil a contract with a customer.

The Consolidated Entity has concluded that revenue from its sales should be recognised either at the point in time or over the time, when (or as) the Consolidated Entity satisfies performance obligations by transferring the promised services to its customers. The adoption of AASB 15 did not have an impact on the timing or the amount of revenue recognition.

AASB 9: Financial instruments

The Consolidated Entity has adopted AASB 9 from 1 January 2018. This standard replaces AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculation of impairment on financial assets, and new general hedge accounting requirements. It also carries forward guidance on recognition and derecognition of financial instruments from AASB 139.

To assess for any expected credit losses under AASB 9, there is consideration around the probability of default upon initial recognition of the asset, and subsequent consideration as to whether there have been any significant increases in credit risk on an ongoing basis at each reporting period. To assess whether there is a significant increase in credit risk the Consolidated Entity compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

In making this assessment, as far as available, the Consolidated Entity considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Consolidated Entity's trade receivables operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Consolidated Entity's core operations.

In particular, as far as available, the following information is taken into account when assessing significant movements in credit risk:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- external credit rating
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Consolidated Entity and changes in the operating results of the borrower
- macroeconomic information such as market interest rates and growth rates

Note 2. Significant accounting policies (continued)

The Consolidated Entity assesses on a forward-looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Consolidated Entity applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. For trade receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available. The impairment allowance for trade receivables was increased by $190,000 at 1 January 2018.

When adopting AASB 9, the Consolidated Entity has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 January 2018.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the year ended 31 December 2018. The Consolidated Entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Consolidated Entity, are set out below.

AASB 16 Leases This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. When this standard is first adopted for the year ending 31 December 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

Basis of preparation

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

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

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

Note 2. Significant accounting policies (continued)

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 31 December 2018 and the results of all subsidiaries for the period then ended. The Company and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

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

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

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

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

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

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

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

Note 2. Significant accounting policies (continued)

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

• Assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that balance sheet.

• Income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

• All resulting exchange differences are recognised as a separate component of equity.

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

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

Revenue recognition
Revenue from contracts with customers
The Consolidated Entity predominantly derives revenue from the sale of services. Significant contracts with customers depict various performance obligations, such as:

- advertising;
- dealership revenue;
- Individual listings revenue,
- financial product to used car buyers (underwritten by financial institutions and LatAm Autos receives a combination of a fixed fee and a percentage of the overall loan value);
- telematics solution consisting of an electronic device installed in vehicles which allows real-time tracking of location and other data services.
- auto insurance solution, and;
- mechanical guarantee product through its dealership network.

To determine whether to recognise revenue, the Consolidated Entity follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Consolidated Entity satisfies performance obligations by transferring the promised services to its customers.

Note 2. Significant accounting policies (continued)

The Consolidated Entity has concluded that revenue from financial product to used car buyers, telematics solution, auto insurance solution, and mechanical guarantee product, internally called Cross Sell products, should be recognised at a point in time when the performance obligation is satisfied.

For revenue from advertising, dealership and individual listings, known as Classifieds, the Consolidated Entity must analyse if the service is provided over the time or at a point in time. When the period agreed to provide the service is over 30 days, the revenue must be recognised over that period of time. If the terms on the contract include only one release of the advertisement, the revenue must be recognized at a point in time.

The Consolidated Entity recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as liabilities in the Statement of financial position. Similarly, if the Consolidated Entity satisfies a performance obligation before it receives the consideration, the Consolidated Entity recognises either a contract asset or receivable in its Statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Income tax

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

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

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

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

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

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

Discontinued operations

A discontinued operation is a component of the Consolidated Entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Current and non-current classification

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

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

Note 2. Significant accounting policies (continued)

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

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

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

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

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

Plant and equipment	3-10 years

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

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

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

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

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

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

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

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

Note 2. Significant accounting policies (continued)

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

Intangible assets acquired separately are initially recognised at cost.

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

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

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

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

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

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

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

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

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

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

Note 2. Significant accounting policies (continued)

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

Domain names and trademarks – 10 to 15 years
Software - 3 to 5 years
Content - 4 years

Impairment of non-financial assets

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

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

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

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

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

Financial instruments

Recognition and derecognition
Financial assets and financial liabilities are recognised when the Consolidated Entity becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires

Classification and initial measurement of financial assets
Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets
For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at fair value through other comprehensive income (FVTOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Note 2. Significant accounting policies (continued)

Financial assets at amortised cost
Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Consolidated Entity's trade and most other receivables fall into this category of financial instruments that were previously classified as loans and receivables under AASB 139.

The Consolidated Entity does not have any financial instrument in the categories FVTPL, Equity FVTOCI and Debt FVTOCI.

Impairment of financial assets
AASB 9's new forward-looking impairment model applies to the Consolidated Entity'strade receivables and contract assets recognised and measured under AASB 15. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

Trade and other receivables and contract assets
The Consolidated Entity uses a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Consolidated Entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Classification and measurement of financial liabilities
As the accounting for financial liabilities remains largely unchanged from AASB 139, the Consolidated Entity's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the relevant accounting policy is disclosed below.

The Consolidated Entity's financial liabilities include trade and other payables and convertible note.

Financial liabilities are initially measured at fair value, and, where and to the extent applicable, adjusted for transaction costs unless the Consolidated Entity designate a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).
All interest-related charges and if applicable charges in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

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

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

Employee benefits

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

Note 2. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

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

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

Note 2. Significant accounting policies (continued)

Issued capital
Ordinary shares are classified as equity.

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

Earnings per share

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

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

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

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

Rounding of amounts
The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 3. Critical accounting judgements, estimates and assumptions

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

Allowance for expected credit losses (Note 10)
The allowance of expected credit losses on trade receivables assessment requires a degree of estimation and judgement. The level of allowance is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual trade receivable's financial position.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets (Notes 13 and 14)
The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets (Note 14)
The Consolidated Entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets (Note 14)
The Consolidated Entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Consolidated Entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax (Note 7)
The Consolidated Entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Consolidated Entity recognises liabilities for anticipated tax audit issues based on the Consolidated Entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets (Note 15)
Deferred tax assets are recognised for deductible temporary differences only if the Consolidated Entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 4. Operating segments

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

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

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

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

The reportable segments are:

Argentina	Mexico
Ecuador	Peru
Panama	

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

Note 4. Operating segments (continued)

Intersegment transactions
There were no material intersegment transactions during the reporting period.

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

Consolidated - 2018	**Argentina $'000**	**Ecuador $'000**	**Panama $'000**	**Mexico $'000**	**Peru $'000**	**Total reportable segments $'000**
Revenue						
Sales to external customers	9	3,308	-	3,747	339	7,403
Total sales revenue	9	3,308	-	3,747	339	7,403
Operating expenses	(34)	(3,318)	(8)	(7,244)	(493)	(11,097)
EBITDA	(25)	(10)	(8)	(3,497)	(154)	(3,694)

Consolidated - 2017	**Argentina $'000**	**Ecuador $'000**	**Panama $'000**	**Mexico $'000**	**Peru $'000**	**Total segments $'000**
Revenue						
Sales to external customers	235	2,808	54	2,215	423	5,735
Total sales revenue	235	2,808	54	2,215	423	5,735
Operating expenses	(1,310)	(2,772)	(167)	(6,165)	(594)	(11,009)
EBITDA	(1,076)	36	(113)	(3,950)	(171)	(5,274)

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

Note 4. Operating segments (continued)

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

	2018 $'000	2017 $'000
Revenue		
Total reportable segment revenues	7,403	5,735
Interest income	31	10
Other revenue	129	114
Group revenues	7,563	5,859

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

Geographical information

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

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

Note 5. Revenue

	Consolidated 2018 $'000	Consolidated 2017 $'000
From continuing operations		
Revenue from contracts with customers		
Sales revenue	7,394	5,446
Other revenue		
Interest	31	10
Other revenue	119	110
	151	124
Revenue from continuing operations	7,544	5,566

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

Consolidated - 2018	Classifieds $'000	Cross sell $'000	Total $'000
Geographical regions			
Mexico	2,131	1,615	3,746
Ecuador	2,541	768	3,309
Peru	339	-	339
	5,011	2,383	7,394

Consolidated - 2017	Classifieds $'000	Cross sells $'000	Total $'000
Geographical regions			
Mexico	1,971	246	2,217
Ecuador	2,055	751	2,806
Peru	423	-	423
	4,449	997	5,446

The Consolidated Entity revenue disaggregated by pattern of revenue recognition is as follows:

Consolidated - 2018	Mexico $'000	Ecuador $'000	Peru $'000	Total $'000
Services provided at a point in time	2,994	2,828	339	6,161
Services transferred over time	752	481	-	1,233
	3,746	3,309	339	7,394

Note 5. Revenue (continued)

Consolidated - 2017

	Mexico $'000	Ecuador $'000	Peru $'000	Total $'000
Services provided at a point in time	1,536	2,372	423	4,331
Services transferred over time	681	434	-	1,115
	2,217	2,806	423	5,446

Note 6. Expenses

	Consolidated 2018 $'000	2017 $'000
Loss before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Plant and equipment	159	179
Amortisation		
Software	1,777	1,614
Domain names and trademarks	173	170
Content	34	34
Total amortisation	1,984	1,818
Total depreciation and amortisation	2,143	1,997
Impairment		
Plant and equipment	23	-
Receivables	235	180
Total impairment	258	180
Finance costs		
Interest expense	1,287	902
Commissions, bank fees and transaction fees	17	12
Finance costs expensed	1,304	914
Rental expense relating to operating leases		
Minimum lease payments	508	454
Superannuation expense		
Defined contribution superannuation expense	489	506
Share-based payments expense - employment-related		
Share-based payments expense - equity-settled	1,151	518
Employee benefits expense		
Employee benefits expense excluding superannuation and share-based payments	6,161	5,409

Note 7. Income tax benefit

	Consolidated	
	2018	**2017**
	$'000	**$'000**
Income tax benefit		
Current tax	27	(93)
Deferred tax - origination and reversal of temporary differences	14	(128)
Aggregate income tax expense/(benefit)	41	(221)
Income tax benefit is attributable to:		
Loss from continuing operations	41	(257)
Loss from discontinued operations	-	36
Aggregate income tax expense/(benefit)	41	(221)
Deferred tax included in income tax benefit comprises:		
Decrease in deferred tax assets (note 15)	66	84
Decrease in deferred tax liabilities (note 20)	(52)	(212)
Deferred tax - origination and reversal of temporary differences	14	(128)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax (expense)/benefit from continuing operations	(13,020)	(12,742)
Loss before income tax expense from discontinued operations	(72)	(1,429)
	(13,092)	(14,171)
Tax at the statutory tax rate of 30%	(3,928)	(4,251)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Tax rate differential on accounting profit/(loss)	214	290
Permanent differences	426	425
Non-deductible amortisation	277	1,310
Other	346	(90)
	(2,665)	(2,316)
Current year tax losses not recognised	2,706	2,095
Income tax expense/(benefit)	41	(221)

	Consolidated	
	2018	**2017**
	$'000	**$'000**
Amounts credited directly to equity		
Deferred tax assets (note 15)	(90)	(111)
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	40,491	30,835
Potential tax benefit at statutory tax rates	11,806	8,821

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

Note 8. Discontinued operations

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

Financial performance information

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

Cash flow information

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

Note 9. Cash and cash equivalents

	Consolidated	
	2018 $'000	2017 $'000
Cash at bank	6,600	6,789

Note 10. Trade and other receivables

	Consolidated 2018 $'000	Consolidated 2017 $'000
Trade receivables	2,829	2,258
Less: Allowance for expected credit losses	(880)	(434)
	1,949	1,824
Other accounts receivable	52	364
Sales taxes receivable - current	837	1,875
	2,838	4,063

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Allowance for expected credit losses
The Consolidated Entity has raised an allowance of expected credit losses of trade receivables of $880,000 in profit or loss in respect of impairment of receivables for the year ended 31 December 2018 (31 December 2017 - $434,000)

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

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Consolidated 2018 $'000	Consolidated 2017 $'000
Over 3 months overdue	880	434

Movements in the allowance for expected credit losses are as follows:

	Consolidated 2018 $'000	Consolidated 2017 $'000
Loss allowance as at 1 January calculated under AASB 139	434	237
Amounts restated through opening retained earnings	190	-
Opening loss allowance as at 1 January	624	237
Loss allowance recognised during the year	304	172
Receivables written off during the year	(33)	52
Foreign exchange	(15)	(27)
Closing balance	880	434

Note 11. Other

	Consolidated	
	2018	**2017**
	$'000	**$'000**
Prepayments	371	301

Note 12. Other receivables

	Consolidated	
	2018	**2017**
	$'000	**$'000**
Sales tax receivables – non-current	889	-

Note 13. Plant and equipment

	Consolidated	
	2018	**2017**
	$'000	**$'000**
Plant and equipment - at cost	990	747
Less: Accumulated depreciation	(638)	(395)
	352	352

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

Consolidated	Plant & equipment $'000
Balance at 1 January 2017	532
Additions	29
Disposals	(29)
Exchange differences	14
Depreciation expense	(194)
Balance at 31 December 2017	352
Additions	125
Exchange differences	42
Depreciation expense	(167)
Balance at 31 December 2018	352

Note 14. Intangibles

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

Reconciliations

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

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

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

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

Note 14. Intangibles (continued)

The Consolidated Entity utilises the fair value less cost to sell methodology when assessing the carrying value of goodwill and other indefinite life intangibles. This assessment of fair value less costs to sell considers the company's own assessment methodology used when determining appropriate consideration for acquisitions. That same methodology is also applied in the event of an approach for a particular business unit or cash generating unit that is considered to be a serious offer. The key inputs methodology inputs include but are not limited to:

- an average Enterprise Value / Revenue multiple of between 5.9x – 10.7x derived from comparable companies and transactions;
- an "investment liquidity" discount of up to 20% is applied where relevant in comparison to comparable listed companies;
- a "size" discount of up to 20% is applied where relevant to comparable listed companies, representing the companies relative size based on revenues, volumes, profits etc; and a “control” premium of up to 30% is applied where relevant in comparison to comparable listed companies, representing the value of a company on a full control basis.

The company also considered other factors as a reasonableness check on the valuations. These included:
(i) the operating performance of each cash generating unit against the following KPIs:
(ii) site listings,
(iii) site traffic, and
(iv) country of business and the general competitive landscape in a particular market

Impact of possible changes in key assumptions

Management do not consider that a reasonable change in any key assumptions would lead to impairment and if any it will be immaterial.

Identifiable intangible assets with finite lives - remaining amortisation periods

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

Note 15. Deferred tax

	Consolidated 2018 $'000	Consolidated 2017 $'000
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Provisions	259	323
Other temporary differences	244	114
	503	437
Amounts recognised in equity:		
Transaction costs on share issue	90	111
Deferred tax asset	593	548
Movements:		
Opening balance	548	513
Charged to profit or loss (note 7)	(66)	(84)
Credited to equity (note 7)	90	111
Exchange rate adjustments	34	(18)
Other	(13)	26
Closing balance	593	548

Note 16. Trade and other payables

	Consolidated 2018 $'000	Consolidated 2017 $'000
Trade payables	4,368	2,731
Sales tax payable	237	221
Other payables	175	176
	4,780	3,128

Refer to note 28 for further information on financial instruments.

Note 17. Employee benefits

	Consolidated 2018 $'000	Consolidated 2017 $'000
Employee benefits	1,047	837

Note 18. Provisions

	Consolidated 2018 $'000	Consolidated 2017 $'000
Employee benefits	-	64
Provisions - labour and regulatory costs	45	92
	45	156

Labour and regulatory costs
The provision represents: (i) management's estimate of labour-related and regulatory-related costs arising from past activities which are not currently payable and in relation to which no confirmation of liability has yet been ascertained but which may become payable in the future upon provision of relevant documentation; and (ii) as at 31 December 2018, includes a provision for issue of shares to employees relating to the year ended 31 December 2017 but to be granted after year end.

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

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

Consolidated - 2018	Labour and regulatory costs $'000
Carrying amount at the start of the year	92
Payments	(47)
Carrying amount at the end of the year	45

Note 19. Contract liabilities - deferred service income

	Consolidated 2018 $'000	Consolidated 2017 $'000
Contract liabilities - deferred revenue service income	260	287

Note 20. Deferred tax

	Consolidated	
	2018	**2017**
	$'000	**$'000**
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Employee participation in profit	-	62
Intangibles	624	550
Deferred tax liability	624	612

	Consolidated	
	2018	**2017**
	$'000	**$'000**
Movements:		
Opening balance	612	830
Credited to profit or loss (note 7)	(52)	(212)
Exchange rate adjustments	62	(6)
Consol. Adjustment	2	-
Closing balance	624	612

Note 21. Employee benefits

	Consolidated	
	2018	**2017**
	$'000	**$'000**
Employee benefits	254	230

Note 22. Convertible Note

	Consolidated	
	2018	**2017**
	$'000	**$'000**
Convertible note	6,913	9,122

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

Note 22. Convertible Note (continued)

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

In October 2018, the Company applied a partially early redemption. The total amount redeemed was $3.8 million paid $2.9 million in cash and $855,000 in shares. This payment does not change the original conditions of the convertible note in terms of time, interest or conversion price.

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

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

Note 23. Issued capital

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

Note 23. Issued capital (continued)

Movements in ordinary share capital

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

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

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

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

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

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

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

Note 24. Other contributed equity

	Consolidated 2018 $'000	Consolidated 2017 $'000
Convertible note	1,394	1,394
Other contributed equity	299	97
	1,693	1,491

Other contributed equity
It mainly corresponds to the variation of reserves related to post-employment benefits provision

Note 25. Reserves

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

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

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

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

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

Note 26. Accumulated losses

	Consolidated	
	2018 $'000	2017 $'000
Accumulated losses at the beginning of the financial year	(45,919)	(31,969)
Loss after income tax (expense)/benefit for the year	(13,133)	(13,950)
Transfer of reserve	426	-
AABS 9 first adoption	(190)	-
Accumulated losses at the end of the financial year	(58,816)	(45,919)

Note 27. Dividends

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

Note 28. Financial instruments

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

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

Market risk

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

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

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

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

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

Note 28. Financial instruments (continued)

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

	Average exchange rates		Reporting date exchange rates	
	2018	**2017**	**2018**	**2017**
Australian dollars				
Argentine peso (ARS)	20.7463	13.2382	26.5328	14.9598
Mexican peso (MXN)	14.5952	15.1511	13.8335	15.3570
Peruvian Nuevo Sol (PEN)	2.4530	2.4771	2.3810	2.5251
US dollar (USD)	0.7427	0.7508	0.7047	0.7807

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

	Assets		Liabilities	
Consolidated	**2018 $'000**	**2017 $'000**	**2018 $'000**	**2017 $'000**
US dollar	613	325	-	-

The Consolidated Entity had net financial assets denominated in foreign currencies of $613,000 (assets $613,000 less liabilities $Nil) as at 31 December 2018 (31 December 2017 - net financial assets denominated in foreign currencies of $325,000).

The following table illustrates the sensitivity of profit and equity in regards to the Group’s assets and liabilities in light of potential changes to the respective currencies applicable to those assets and liabilities. It assumes a +/- 2% change in all exchange rates for the year ended at 31 December 2018. This percentage has been determined based on the average market volatility in exchange rates in the previous three months across the relevant currencies. The sensitivity analysis is based on the Group’s relevant foreign currency assets and liabilities held at reporting date.

	AUD strengthened			AUD weakened		
Consolidated - 2018	**% change**	**Effect on profit before tax $'000**	**Effect on equity $'000**	**% change**	**Effect on profit before tax $'000**	**Effect on equity $'000**
US dollar	2%	(12)	(12)	2%	12	12

	AUD strengthened			AUD weakened		
Consolidated - 2017	**% change**	**Effect on profit before tax $'000**	**Effect on equity $'000**	**% change**	**Effect on profit before tax $'000**	**Effect on equity $'000**
US dollar	5%	(15)	(15)	5%	17	17

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

Interest rate risk
As at reporting date the Consolidated Entity has cash at bank of $6,600,000 and a Convertible Note. Cash at bank is held in a number of bank accounts, operated by the Consolidated Entity's subsidiaries and its head office function, some of which are interest-bearing and some of which are not.

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

Note 28. Financial instruments (continued)

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

	2018		2017	
Consolidated	**Weighted average interest rate %**	**Balance $'000**	**Weighted average interest rate %**	**Balance $'000**
Bank accounts - interest-bearing	0.50%	4,465	0.49%	6,557
Net exposure to cash flow interest rate risk		4,465		6,557

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

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

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

The Consolidated Entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Consolidated Entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a trade receivables to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

	Consolidated	
	2018 $'000	**2017 $'000**
Classes of financial assets		
Cash at bank	6,600	6,789
Trade accounts receivable	1,949	1,824
Other accounts receivable - current	52	364
Total financial assets	8,601	8,977

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

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

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

Note 28. Financial instruments (continued)

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

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

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

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

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

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

Consolidated - 2018	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	4,368	-	-	-	4,368
Deferred income	-	260	-	-	-	260
Other payables	-	175	-	-	-	175
Interest-bearing						
Liability component C-Note	8.00%	-	6,913	-	-	6,913
Total non-derivatives		4,803	6,913	-	-	11,716
Derivatives						
Equity component C-Note	-	-	1,280	-	-	1,280
Total derivatives		-	1,280	-	-	1,280

Note 28. Financial instruments (continued)

Consolidated - 2017	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	2,731	-	-	-	2,731
Deferred income	-	287	-	-	-	287
Other payables	-	176	-	-	-	176
Interest-bearing						
Liability component C-Note	8.00%	-	-	8,550	-	8,550
Total non-derivatives		3,194	-	8,550	-	11,744
Derivatives						
Equity component C-Note	-	-	-	1,450	-	1,450
Total derivatives		-	-	1,450	-	1,450

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

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

Note 29. Key management personnel disclosures

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

	Consolidated	
	2018 **$**	**2017** **$**
Short-term employee benefits	1,286,142	1,145,224
Post-employment benefits	34,468	37,233
Share-based payments	107,013	95,101
	1,427,623	1,277,558

Note 30. Remuneration of auditors

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

	Consolidated	
	2018	**2017**
	$	**$**
Audit services - Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	88,000	88,000
Other services - Grant Thornton Audit Pty Ltd		
Tax consulting	17,500	17,500
	105,500	105,500
Audit services - network firms		
Audit or review of the financial statements	51,086	58,028

Note 31. Contingent liabilities

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

Note 32. Commitments

	Consolidated	
	2018	**2017**
	$'000	**$'000**
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	269	287
One to five years	-	209
	269	496
Operating Lease arrangements		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	53	70
One to five years	9	76
Total commitment	62	146
Less: Future finance charges	-	-
Net commitment recognised as liabilities	62	146

Operating lease arrangements relate to leases of various premises used by the Consolidated Entity as business offices in Ecuador, Mexico and Peru. The leases are non-cancellable and have terms ranging from one to five years.

Note 33. Related party transactions

Parent entity
LatAm Autos Limited is the parent entity.

Note 33. Related party transactions (continued)

Subsidiaries
Interests in subsidiaries are set out in note 35.

Associates
Interests in associates are set out in note 36.

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

Transactions with related parties
During the financial year, there was a related party transaction between Log Creek Pty Ltd and the Consolidated Entity in relation to office rent at the premises of 88 Collins Street, at an amount of $1,307 per month.

At 31 December 2018, Log Creek and Startive disposed 2,644,278 and 336,997 unlisted convertible notes respectively.

There were no other transactions with relates parties during the current and previous reporting date.

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

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

Note 34. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2018 $'000	**2017 $'000**
Loss after income tax	(4,120)	(2,673)
Total comprehensive income	(4,120)	(2,673)

Note 34. Parent entity information (continued)

Statement of financial position

	Parent 2018 $'000	Parent 2017 $'000
Total current assets	5,235	6,896
Total assets	72,628	58,462
Total current liabilities	972	874
Total liabilities	7,895	10,002
Equity		
Issued capital	76,306	63,970
Other contributed equity	1,394	1,394
Foreign currency reserve	(223)	(223)
Share-based payments reserve	133	394
Accumulated losses	(12,877)	(17,075)
Total equity	64,733	48,460

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2018 nor at 31 December 2017.

Contingent liabilities
The parent entity had no contingent liabilities as at 31 December 2018 (31 December 2017 - Nil).

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 31 December 2018 (31 December 2017 - Nil).

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 2, except for the following:

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

Note 35. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2018 %	Ownership interest 2017 %
LatAm Autos Holdings Pty Ltd	Australia	100.00%	100.00%
Anuntis Segundamano Argentina S.A.	Argentina	100.00%	100.00%
Anuntis Segundamano Argentina Holdings S.A.	Argentina	100.00%	100.00%
Latamautos Mexico S. de R.L. de C.V.	Mexico	100.00%	100.00%
Avisoriaweb S.A.	Ecuador	100.00%	100.00%
LatAm Autos Peru S.A.	Peru	100.00%	100.00%
LatAm Autos Panama S.A.	Panama	100.00%	100.00%
Latamautos Corporacion S.A.	Ecuador	100.00%	100.00%

Note 36. Interests in associates

The Consolidated Entity does not have any interests in associates during the current reporting period.

Note 37. Events after the reporting period

On 5 February 2019, the Company issued a 222,737 fully paid ordinary shares at an issue price of $0.2155 to a consultant in consideration of services provided and 390,000 fully paid ordinary shares at an issue price of $0.20 per share to an employee.

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

Note 38. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2018 **$'000**	**2017** **$'000**
Loss after income tax (expense)/benefit for the year	(13,133)	(13,950)
Adjustments for:		
Depreciation and amortisation	2,145	2,016
Impairment of non-current assets	296	378
Net gain on disposal of property, plant and equipment	-	(1)
Share-based payments	1,319	187
Foreign exchange differences	(1)	(44)
Interest of convertible note	1,283	898
Capital raising costs	31	28
Loss on redemption of convertible notes	235	-
Change in operating assets and liabilities excluding assets and liabilities acquired through business combinations:		
Decrease/(increase) in trade and other receivables	(762)	440
Decrease/(increase) in prepayments	242	(231)
Net movement in sales tax payable/receivable	206	(77)
Decrease/(increase) in inventories	-	14
Net movement in deferred tax assets/liabilities	(33)	(140)
Increase/(decrease) in deferred revenue	(27)	(28)
Increase in trade and other payables	648	213
Increase/(decrease) in employee benefits	198	(51)
Increase/(decrease) in other provisions	613	(11)
Net cash used in operating activities	(6,740)	(10,359)

Note 39. Earnings per share

	Consolidated	
	2018 **$'000**	**2017** **$'000**
Earnings per share for loss from continuing operations		
Loss after income tax attributable to the owners of LatAm Autos Limited	(13,061)	(12,485)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	379,406,672	312,563,855
Weighted average number of ordinary shares used in calculating diluted earnings per share	379,406,672	312,563,855
	Cents	**Cents**
Basic earnings per share	(3.44)	(3.99)
Diluted earnings per share	(3.44)	(3.99)

	Consolidated	
	2018 **$'000**	**2017** **$'000**
Earnings per share for loss from discontinued operations		
Loss after income tax attributable to the owners of LatAm Autos Limited	(72)	(1,465)

Note 39. Earnings per share (continued)

	Consolidated 2018 Number	Consolidated 2017 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	379,406,672	312,563,855
Weighted average number of ordinary shares used in calculating diluted earnings per share	379,406,672	312,563,855
	Cents	**Cents**
Basic earnings per share	(0.02)	(0.47)
Diluted earnings per share	(0.02)	(0.47)

	Consolidated 2018 $'000	Consolidated 2017 $'000
Earnings per share for loss		
Loss after income tax attributable to the owners of LatAm Autos Limited	(13,133)	(13,950)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	379,406,672	312,563,855
Weighted average number of ordinary shares used in calculating diluted earnings per share	379,406,672	312,563,855
	Cents	**Cents**
Basic earnings per share	(3.46)	(4.46)
Diluted earnings per share	(3.46)	(4.46)

Note 40. Share-based payments

(a) Performance Rights

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

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

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

The number of Rights that will vest is contingent on the Company’s total shareholder return (TSR) relative to comparable companies ("Peer Group") over a designated period.

Note 40. Share-based payments (continued)

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

2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
27/07/2015	30/01/2019	$0.0000	3,366,670	-	-	(3,366,670)	-
18/03/2016	31/01/2020	$0.0000	691,664	-	-	(241,667)	449,997
18/03/2016	31/01/2020	$0.0000	691,669	-	-	(241,666)	450,003
16/05/2016	31/01/2020	$0.0000	258,333	-	-	-	258,333
16/05/2016	31/01/2020	$0.0000	258,334	-	-	-	258,334
27/09/2016	28/02/2020	$0.0000	150,000	-	-	(150,000)	-
17/07/2017	31/05/2021	$0.0000	966,666	-	-	(75,000)	891,666
17/07/2017	31/05/2021	$0.0000	966,666	-	-	(75,000)	891,666
14/06/2018	31/01/2022	$0.0000	-	975,000	-	-	975,000
14/06/2018	31/01/2022	$0.0000	-	974,999	-	-	974,999
			7,350,002	1,949,999	-	(4,150,003)	5,149,998

2017

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
27/07/2015	30/01/2019	$0.0000	3,366,670	-	-	-	3,366,670
18/03/2016	31/01/2020	$0.0000	691,664	-	-	-	691,664
18/03/2016	31/01/2020	$0.0000	691,669	-	-	-	691,669
16/05/2016	31/01/2020	$0.0000	258,333	-	-	-	258,333
16/05/2016	31/01/2020	$0.0000	258,334	-	-	-	258,334
27/09/2016	28/02/2020	$0.0000	150,000	-	-	-	150,000
17/07/2017	31/05/2021	$0.0000	-	966,666	-	-	966,666
17/07/2017	31/05/2021	$0.0000	-	966,666	-	-	966,666
			5,416,670	1,933,332	-	-	7,350,002

An amount of $162,000 was recognised as an expense for the Rights during the current financial year (2017: $164,000).

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 3 years (2017: 3 years).

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

The pricing model used to value the performance rights granted during the current financial year was the Binomial Options Valuation Model.

The volatilities used in the valuation models were based upon the volatility of the historical Company's share price.

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

Note 40. Share-based payments (continued)

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
27/07/2015	30/01/2019	$0.2900	$0.0000	64.75%	-	2.03%	$0.159
27/07/2015	30/01/2019	$0.2900	$0.0000	64.75%	-	2.03%	$0.168
18/03/2016	31/01/2020	$0.2550	$0.0000	63.96%	-	1.98%	$0.081
18/03/2016	31/01/2020	$0.2550	$0.0000	63.96%	-	1.98%	$0.107
16/05/2016	31/01/2020	$0.3000	$0.0000	63.53%	-	1.56%	$0.101
16/05/2016	31/01/2020	$0.3000	$0.0000	63.53%	-	1.56%	$0.137
17/07/2017	31/05/2021	$0.0980	$0.0000	103.90%	-	2.17%	$0.016
17/07/2017	31/05/2021	$0.0980	$0.0000	103.90%	-	2.17%	$0.018
14/06/2018	31/01/2022	$0.1400	$0.0000	87.22%	-	2.35%	$0.075
14/06/2018	31/01/2022	$0.1400	$0.0000	87.22%	-	2.35%	$0.080

(b) Shares issued to employees

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

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

During the period ended 31 December 2018, the Company proposed to issue Shares to employees in recognition of their performance during the year ended 31 December 2018, subject to Board approval and acceptance by the respective employees. An estimate has been made of the STI based on the performance targets of the individual employees. The value of these Shares amounting to $449,625 was accrued as at 31 December 2018 and recorded as a share-based payment expense in the Statement of profit or loss and other comprehensive income of the Consolidated Entity for that financial period, although the Shares were not issued as at the end of the financial period.

The company issued the following shares to parties in connection with their employment by the Consolidated Entity. The shares vested immediately.

	Consolidated	
	2018	**2017**
	$'000	**$'000**
2,248,125 shares to be issued to employees under STI Plan in 2018 (value recorded at year end)	449,625	353,625

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

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

LatAm Autos Limited
Directors' declaration
31 December 2018

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2018 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the directors

Tim Handley
Executive Chairman

29 March 2019

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Independent Auditor's Report

To the Members of LatAm Autos Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of LatAm Autos Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred a loss before tax of $13,020,000 and net cash outflows from operating activities of $6,740,000. As at 31 December 2018, the Group's cash position is $6,600,000. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Goodwill and intangible assets impairment [note 14]	
Goodwill and other intangibles total $23,321,000 at 31 December 2018. These amounts relate to four Cash Generating Units (CGUs). The carrying value of goodwill and other intangibles represent the most significant asset value and require significant judgement over the accounting methodology and hence have been determined as a key audit matter.	Our procedures included, amongst others: • assessment of management's determination of the Group's CGUs based on our understanding of the Group's business and the economic environment in which the Group operates; • evaluation of management's process for the preparation and analysed estimated fair value less costs to disposal models (including considering comparable businesses and transactions), taking into consideration the impacts of the Group and CGU specific challenges; • evaluation of the auditor's expert report from the prior year's audit and assessment of its applicability for the current year; • reviewed of the process for determining and assessing specific impairment indicators; and • assessment of the adequacy of financial report disclosures
Convertible note [note 22]	
The Group had on issues convertible notes in 2017. During the year, $3,800,000 of the convertible notes were redeemed and converted with payment of $2,945,000 cash and 5,343,750 shares issues at conversion price of 16 cents. We have determined this as a key audit matter due to the complexity surround the accounting of the early redemption and conversion of convertible notes.	Our procedures included, amongst others: • reviewed the convertible note agreements and notice of redemption to ensure the redemption is made in accordance with the original terms and conditions; • verified the funds repaid and shares issued to external sources; • reviewed management's calculation on the redemption and conversion and ensured the accounting treatment complies with accounting standards; and • ensured appropriate disclosure in the financial statements.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 31 December 2018.

In our opinion, the Remuneration Report of LatAm Autos Limited, for the year ended 31 December 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Michael Climpson
Partner

Melbourne, 29 March 2019

LatAm Autos Limited
Shareholder information
31 December 2018

The shareholder information set out below was applicable as at 17 March 2019.

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

	Number of holders of ordinary shares	Total Units	%
1 to 1,000	55	5,393	-
1,001 to 5,000	301	956,492	
5,001 to 10,000	215	1,723,557	-
10,001 to 100,000	529	20,152,801	5
100,001 and over	251	395,516,173	95
	1,351	418,354,416	100
Holding less than a marketable parcel	267	554,653	-

Equity security holders

Twenty largest shareholders
The names of the twenty largest shareholders are listed below:

	Fully paid Issued shares Number held	Issued shares % of total shares issued
CHESTNUT PARTNERS LIMITED	45,000,000	10.76%
LOG CREEK PTY LTD (THE LOG CREEK VINEYARD A/C)	41,234,274	9.86%
NATIONAL NOMINEES LIMITED	30,620,726	7.32%
HSBC CUSTODY NOMINEES	30,037,884	7.18%
BNP PARIBAS NOMS PTY LTD (DRP)	28,708,467	6.86%
BNP PARIBAS NOMINEES PTY LTD (IB AU NOMS RETAILCLIENT DRP)	15,120,465	3.61%
INVIA CUSTODIAN PTY LIMITED (FERN ESTATES PTY LTD A/C)	14,950,185	3.57%
CITICORP NOMINEES PTY LIMITED	14,044,668	3.36%
HSBC CUSTODY NOMINEES	9,385,714	2.24%
MR ANDREW RUDOLPH SYPKES & MRS ELIZABETH ANNE PETRUSMA (R & E SYPKES FAMILY SF A/C)	9,149,850	2.19%
SARGON CT PTY LTD (LAA EIP ALLOCATED A/C)	6,582,440	1.57%
SDS CAPITAL NO2 PTY LTD (SDS CAPITAL NO 2 UNIT A/C)	6,355,925	1.52%
NETWEALTH INVESTMENTS LIMITED (SUPER SERVICES A/C)	5,943,937	1.42%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	5,540,814	1.32%
MR ROBERT EDWARD MCCLEAVE	4,500,000	1.08%
MARTIN PENNY PTY LIMITED (GREHAN SPRING S/F A/C)	4,277,142	1.02%
ANDRES JACOBO MORENO NOBOA	4,219,675	1.01%
NETWEALTH INVESTMENTS LIMITED (WRAP SERVICES A/C)	4,158,992	0.99%
PATTERSON CHENEY INVESTMENTS PTY LTD	4,151,642	0.99%
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	3,480,000	0.83%
	287,462,800	68.71

LatAm Autos Limited
Shareholder information
31 December 2018

Unquoted equity securities

	Number on issue	Number of holders
2016 Performance rights	1,416,667	11
2017 Performance rights	1,783,332	15
2018 Performance rights	1,949,999	16
Unlisted options	49,900,084	178
Convertible notes	6,594,840	4

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
IOOF Holding Limited	58,895,955	14.08
Chestnut Partners Limited	45,000,000	10.76
Log Creek Pty Ltd (ATF the Log Creek Vineyard Trust)	41,234,274	9.86
Simon Clausen	29,839,290	7.13

Voting rights
The voting rights attached to shares are set out below:

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

Performance rights
Performance rights do not have voting rights attached.

There are no other classes of equity securities.