

# **LatAm Autos Limited**

**(ACN 169 063 414)**

## **PROSPECTUS**

This Prospectus is being issued for a pro rata, non-renounceable rights issue of one (1) New Share for every four (4) Shares held at the Record Date at an issue price of 5.5 cents (\$0.055) per New Share to raise approximately \$6,572,000, before issue costs and one (1) free attaching option (“**New Option**”) having an exercise price of 10 cents (\$0.10) and expiry date of 13 August 2021 for every two (2) New Shares purchased (“**the Rights Issue**”).

Shareholders eligible to participate in the Rights Issue may also apply for additional shares and options which are not subscribed (“**Shortfall**”).

### **The Rights Issue is not underwritten.**

LatAm Autos Limited also intends to issue under this Prospectus approximately 82,258,398 New Options to participants in a placement to institutional, professional and sophisticated investors announced by the Company on 14 June 2019 (“**Placement**”) as attaching options, on the basis of one (1) New Option for every two (2) Shares subscribed for under the Placement, the issue of which New Options shall be issued subject to the Company obtaining Shareholder approval (“**the Placement Options Offer**”).

**Grant Samuel Corporate Finance Pty Limited is acting as corporate adviser and Foster Stockbroking Pty Limited and CCZ Statton Equities Pty Ltd are acting as Joint Lead Managers in relation to the Rights Issue and the Placement, including the Placement Options Offer.**

### **Important Notice**

This document is important and should be read in its entirety. The Prospectus is a “transaction specific prospectus” issued in accordance with section 713 of the Corporations Act. In making representations in this Prospectus, regard has been had to the fact that the Company is a ‘disclosing entity’ for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisors whom potential investor may consult. After reading this Prospectus, if you have any questions about the New Shares and New Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The New Shares and New Options offered under this Prospectus should be considered highly speculative.

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## SUMMARY OF OFFER AND INDICATIVE TIMETABLE

As announced on 14 June 2019, LatAm Autos Limited (ACN 169 063 414) ("the Company") intends to raise approximately \$6,572,000 before costs, through the issue of up to 119,495,833 New Shares at an issue price of 5.5 cents (\$0.055) per New Share under a pro rata non-renounceable rights issue ("Rights Issue"). Pursuant to this Prospectus, the Company makes the following Entitlement Offer under the Rights Issue:

*A pro rata, non-renounceable rights issue of one (1) New Share for every four (4) Shares held at the Record Date at an issue price of 5.5 cents (\$0.055) per New Share to raise approximately \$6,572,000, before issue costs and one (1) free attaching option ("New Option") having an exercise price of 10 cents (\$0.10) and expiry date of 13 August 2021 for every two (2) New Shares purchased. Each New Option will upon exercise, entitle the holder to one ordinary share.*

The Rights Issue is not underwritten. New Shares and New Options not subscribed for under the Entitlement Offer will form the Shortfall. Further details of the Offer are set out in Section 1 of this Prospectus.

As also announced on 14 June 2019, the Company has also successfully raised approximately \$3,199,000 via a Placement of 62,774,274 Shares to certain institutional and sophisticated investors at an issue price of 5.5 cents (\$0.055) per Share. For every two (2) Shares subscribed for under the Placement, participants are also entitled to one (1) New Option, and a total of 82,258,398 New Options are offered under this Prospectus to participants in the Placement ("the Placement Options Offer").<sup>1</sup>

New Shares offered under this Prospectus are fully paid in the Company and will rank equally with existing Shares. The rights attaching to New Shares and New Options are described in Section 1 of this Prospectus.

### INDICATIVE TIMETABLE\*

EVENT	DATE
<b>Rights Issue and Placement Options Offer announced and Appendix 3B lodged with ASX and Prospectus lodged with ASIC.</b>	Friday, 14 June 2019
<b>Notice of Offers sent to Shareholders</b>	Monday, 17 June 2019
<b>Shares quoted ex Rights</b>	Wednesday, 19 June 2019
<b>Shares issued under Placement</b>	Thursday, 20 June 2019
<b>Record Date</b>	Thursday, 20 June 2019
<b>Prospectus and Entitlement and Acceptance Form dispatched to Shareholders</b>	Monday, 24 June 2019
<b>Closing Date (5.00pm AEST)**</b>	Wednesday, 3 July 2019

<sup>1</sup> Issue of 82,258,398 New Options under the Placement Options Offer will be subject to the Company obtaining Shareholder approval of such issue. This includes a number of New Options attaching to Shares to be issued to related parties and Convertible Note holders that agree to a redemption and subscription to equity, the issue of which is conditional on Shareholder approval. It is anticipated that the Company will seek Shareholder approval by 30 September 2019.

<b>New Shares quoted on a deferred settlement basis.</b>	Thursday, 4 July 2019
<b>Notification to ASX of Shortfall Offer</b>	Monday, 8 July 2019
<b>Issue date for New Shares and New Options under the Rights Issue (including Shortfall Offer)***</b>	Wednesday, 10 July 2019
<b>Deferred settlement trading ends</b>	
<b>Commencement of trading of New Shares (Normal trading of Shares resumes)****</b>	Thursday, 11 July 2019

\* This timetable is indicative only and subject to change. The Company reserves the right to vary the above dates, subject to the Listing Rules and the Corporations Act.

\*\*The Directors may extend the Closing Date by giving at least 3 Business Days' Notice to ASX prior to the Closing Date. In that event, the date the New Shares are expected to be issued and commence trading on ASX may vary.

\*\*\*New Options under the Placement Options Offer will be issued subject to the Company obtaining Shareholder approval for such issue. It is anticipated that a Shareholder meeting for the issue of New Options under the Placement Options Offer will be held by 30 September 2019.

\*\*\*\*Trading of New Options will be subject to the New Options being granted Official Quotation (refer to "Important Information" section of this Prospectus).

## **IMPORTANT INFORMATION**

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### **Understanding this Prospectus**

Below is important information in relation to the Offer.

This Prospectus is dated 14 June 2019 and was lodged with ASIC on that date.

Neither ASIC nor ASX take responsibility for the content of this Prospectus. Subject to the requirements of the Corporations Act and the Listing Rules, the Directors of the Company reserve the right to close the Offer earlier than the timetable (summarised above) or vary any of the important dates set out in this Prospectus without prior notice, including extending the closing date of the Rights Issue. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this (being the expiry date of this Prospectus).

The Company has applied or will apply to ASX for the New Shares and New Options to be granted Official Quotation. Official Quotation of the New Options will be conditional on there being a sufficient number of holders of the New Options to satisfy the requirements of the ASX for the creation of a new class of listed security. No application monies will be repaid if the New Options offered under this Prospectus are not admitted to official quotation.

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

This Prospectus should be read in its entirety. The risks associated with investing in the Company are significant and potential investors should carefully consider those risks and seek professional advice before deciding whether to invest. The risks associated with the Offer which the Company has identified are summarised below and set out in further detail in Section 1 of this Prospectus.

If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser. Important capitalised terms and phrases used in this Prospectus are defined in the glossary in Section 9.

The past performance of the price of the Company's Shares or other securities in the Company provides no guidance or indication as to how the price of Shares, including New Shares, will perform in the future.

### **Disclaimer**

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

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. Except as required by law, and only to the extent so required, neither the Company, nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus.

The Company and its Directors, officers and employees disclaim any responsibility to update any risk factors or publicly announce the result of any revisions to the forward-looking statements contained in this Prospectus to reflect future developments or events, other than where required to do so by the Corporations Act or the ASX Listing Rules.

## **Publicly available information**

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website, [www.asx.com.au](http://www.asx.com.au)). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offers made under this Prospectus. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in Shares or the Company. No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Directors.

## **Overview of the Company**

LatAm Autos Limited is a leading online car transaction market place with operations in Mexico, Ecuador and Peru. The Company 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. The Company 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.

Further details on investment highlights and current activities can be found on page 5 and detailed in Section 2 of this Prospectus.

After payment of fees and costs, funds raised through the Offer will be applied to meeting the Company's ongoing working capital requirements (refer also to Section 2 with respect to the Purpose and Effect of the Offer).

## Key Investment Risks

Shareholders and prospective investors should be aware that subscribing for New Shares (including under the Shortfall Offer) in the Company involves a number of risks.

The risk factors set out in Section 1 of this Prospectus, and other general risks applicable to all investments in listed securities, may affect the value of the Shares, now or in the future. Accordingly, an investment in the Company should be considered highly speculative.

In particular, the Company notes the following specific risks:

Risk	Further Details
<b>Decline in online auto classifieds market and expenditure in Latin America</b> <p>The online auto classifieds market in Latin America is subject to factors outside the control of the Company. These factors include the general market outlook for economic growth and interest rates. If growth in these markets slows down, if these markets contract, or if expenditure on online auto classifieds decreases, the Company may be unable to meet its business objectives.</p>	<b>Section 4.2(b)</b>
<b>Decline in economic growth and automotive ownership in Latin America</b> <p>Latin America is currently experiencing rising levels of automotive ownership, which has been stimulated by growing wealth and GDP per capita. Although it is anticipated that economic growth in Latin America will continue to stimulate rising levels of automotive ownership, this may not eventuate. If economic growth, and therefore automotive ownership in Latin America does not increase as expected, this may impact on the Company's advertising and listing revenues and therefore on the expected growth of the Company.</p>	<b>Section 4.2(c)</b>
<b>Additional Requirements for Capital</b> <p>The Company's capital requirements depend on numerous factors. If the Company is successful in identifying a new opportunity in which it wishes to invest, the Company is likely to have insufficient funds to pursue the acquisition of such an interest without the raising of further funds (either through equity or debt or a combination of both). Further, the Company may experience unforeseen delays in day-to-day operations which can create a need for additional funds.</p> <p>There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain finance will adversely affect the business and financial condition of the Company and its performance. Existing shareholders may be diluted if additional funds are raised by equity securities.</p>	<b>Section 4.2(a)</b>
<b>Approval for convertible note restructure not being obtained</b> <p>The Company has entered into an agreement with Convertible Note holders to restructure its Convertible Notes, which will have the effect of extending the maturity date from 30 April 2020 to 31 July 2021 and reducing the conversion price from \$0.16 per Share to \$0.10 per Share. The restructure of the Convertible Notes is conditional upon shareholder approval. If Shareholders do not approve the Convertible Note restructure, the Company may need to redeem the Convertible Notes on their current maturity date of 30 April 2020, which would require capital expenditure by the Company. It is anticipated that a Shareholder meeting for the restructure of the Convertible Notes will be held by 30 September 2019.</p>	<b>Section 4.2(k)</b>
<b>New Options not becoming quoted on ASX</b> <p>The New Options are not part of an existing quoted class of securities on ASX. The Company has applied or will apply to ASX for New Options to be granted Official Quotation. Official Quotation of the New Options will be conditional on there being a sufficient number of holders of the New Options to satisfy the requirements of the ASX for the creation of a new class of listed security. If the requirements for Official</p>	<b>Section 4.2(l)</b>

Risk	Further Details
Quotation are not satisfied, the New Options may not be quoted on ASX, and therefore not be able to be traded on ASX. No application monies will be repaid if the New Options offered under this Prospectus are not admitted to official quotation.	
<b>Economic Factors</b>  The Company's future possible revenues, operating costs, Share price and returns to Shareholders may be affected by changes in general economic factors.	<b>Section 4.3(a)</b>
<b>Reliance on external finance providers for auto loans</b>  A key component of the Company's recent growth relates to the distribution of car loans through its car dealer network. The Company relies on external finance providers being able to continue to approve and disburse loan applications in a timely manner and on competitive terms. Any delays, changes to loan terms, changes to credit policies and risk appetite of any funding partner may negatively impact growth prospects of the company which can create a need for additional funds.	<b>Section 4.2(f)</b>
<b>Reliance on Key Management</b>  The responsibility of overseeing the day-to-day operations and the strategic management of the Company may be dependent upon the Company's senior management, key personnel and consultants.	<b>Section 4.2(l)</b>
<b>Currency Fluctuations</b>  The Company derives approximately 100% of its revenue and incurs a significant proportion of its costs from its activities in geographies outside Australia namely Mexico, Ecuador and Peru. Such exposure could have a material adverse impact on the Company's Australian dollar denominated financial results and cash flows.	<b>Section 4.2(h)</b>
<b>Taxation</b>  Variations in the taxation laws of Australia and other countries in which the Company operates could impact the Company's financial performance. Interpretation of taxation law could also change, leading to a change in taxation treatment of investments or activities.	<b>Section 4.3(d)</b>
<b>Relationship with vehicle dealers and manufacturers</b>  The Company generates some revenue through advertisements from vehicle dealers and manufacturers. Contracts between the Company and its advertisers and dealers are generally short term. There can be no guarantee that advertisers and dealers will renew their advertising agreements.	<b>Section 4.2(q)</b>
<b>Data loss, theft or corruption</b>  The Company provides a material amount of its services online through a range of websites. Hacking or exploitation of some unidentified vulnerability in its websites could lead to loss, theft or corruption of data. This could render the websites unavailable for a period of time while data is restored. It could also lead to unauthorised disclosure of users' data, with associated reputational damage, claims by users and regulatory and scrutiny fines.	<b>Section 4.2(r)</b>
<b>Government policy</b>  The Company's capacity to conduct its operations, as well as industry profitability generally, can be affected by changes in government policy which may be beyond the control of the Company.	<b>Section 4.3(b)</b>
<b>Regulatory Risks</b>  Changes to laws and regulations or accounting standards which apply to the Company from time to time could adversely impact the operating and financial	<b>Section 4.3(e)</b>

Risk	Further Details
performance and cash flows of the Company.	
<b>Uninsured Loss and Liability</b> There is a risk that the Company may not be insured against all losses or liabilities that could arise from the Company's operations.	<b>Section 4.4</b>

### Obtaining a copy of this Prospectus

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

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

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

### Forward-looking statements

This document contains forward looking statements that are not based solely on historical facts but are based on current expectations about future events and results. These forward looking statements are subject to inherent risks and uncertainties. Such risks and uncertainties include factors and risks specific to the operations of the Company, as well as general economic conditions, prevailing interest rates, conditions in the financial markets, government policies and regulations and competitive pressures. As a consequence, actual events or results may differ materially from the expectations expressed or implied in such forward looking statements.

Forward-looking statements in this Prospectus are made only at the date of this Prospectus. Subject to any continuing obligations under applicable law or the Listing Rules, the Company does not in providing this information undertake any obligation to publicly update or revise any of the forward-looking statements for any change in events, conditions or circumstances on which any such statement is based. Accordingly, you are cautioned not to place undue reliance on forward looking statements contained in this document.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Refer to Section 1.1.12 for treatment of International Shareholders. Applications for New Shares and New Options and Shortfall Securities and Shortfall Options offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or an Application Form which accompanies this Prospectus.

## CHAIRMAN'S LETTER

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Dear Shareholder

On 14 June 2019, the Company announced it had successfully raised approximately \$3,199,000 via a placement of 62,774,274 Shares to institutional and sophisticated investors ("Placement"), and its proposal to undertake a non-renounceable rights issue ("the Rights Issue") to raise approximately \$6,572,000 (before costs of the issue).

The funds raised under the Rights Issue and the Placement will be applied to the Company's ongoing working capital expenditure, including marketing, technology and personnel expenses, and costs associated with the Rights Issue and the Placement.

Full details of the Rights Issue are included in this Prospectus. You should read this Prospectus carefully.

This Prospectus describes, in detail, the Company's offer to Eligible Shareholders of a pro rata, non-renounceable rights issue of one (1) New Share for every four (4) Shares held at the Record Date at an issue price of 5.5 cents (\$0.055) per New Share to raise approximately \$6,572,000, before issue costs and one (1) free attaching option (New Options) having an exercise price of 10 cents (\$0.10) and expiry date of 13 August 2021 for every two (2) New Shares purchased.

The Rights Issue is not underwritten.

The Directors reserve the right to place any Shortfall Securities at their discretion within 3 months after the close of the Offer pursuant to Listing Rule 7.2 Exception 3.

The Closing Date for acceptance and payment is 5.00pm AEST on Wednesday, 3 July 2019. Further details on taking up your entitlement and applying for New Shares are set out in Section 7 of the Prospectus.

This Prospectus also includes an offer of free attaching New Options to Placement Participants on the basis of one (1) New Option for every two (2) Shares subscribed for under the Placement ("Placement Options Offer"). The issue of New Options under the Placement Options Offer is conditional on Shareholder approval being obtained.

If you have any questions regarding the Rights Issue or the Placement Options Offer, please telephone the Company on +61 3 9692 7222.

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

Yours faithfully,



**Tim Handley**

Executive Chairman

## INVESTMENT OVERVIEW

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The below information is a selective overview of the Rights Issue and Placement Options Offer. You should read the Prospectus in full before deciding to apply for New Shares and New Options.

### Rights Issue

Topic	Summary	More information
What is the Rights Issue?	The Rights Issue is a pro rata, non-renounceable rights issue of one (1) New Share for every four (4) Shares held at the Record Date at an issue price of 5.5 cents (\$0.055) per New Share to raise approximately \$6,572,000, before issue costs and one (1) free attaching option having an exercise price of 10 cents (\$0.10) and expiry date of 13 August 2021 for every two (2) New Shares purchased.	Section 1
What is the price per New Share and New Option under the Rights Issue?	The price per New Share subscribed for under the Rights Issue is \$0.055 (5.5 cents). New Options will be issued for nil consideration.	Section 1
Am I eligible to participate in the Rights Issue?	Only Shareholders whose registered address is in Australia or New Zealand as at 5.00 pm (AEST time) on the Record Date may participate in the Rights Issue.	Section 1.1.4
Do I have to participate in the Rights Issue?	No, participation in the Rights Issue is optional.	Section 1.1.3
Can I transfer my entitlement to participate in the Rights Issue?	No, the Rights Issue is non-renounceable and you cannot transfer your entitlement to subscribe for New Shares and New Options under the Rights Issue.	Section 1.1.1
How many New Shares and New Options will I receive if I participate in the Rights Issue?	Your entitlement under the Rights Issue is to subscribe for 1 New Share for every 4 Shares you already hold as at the Record Date. You may subscribe for less than your full entitlement. You will receive one (1) New Option for every two (2) New Shares you subscribe for under the Rights Issue. You may also apply for further New Shares and New Options in excess of your Rights Issue Entitlement under the Shortfall Offer.	Section 1
What are the terms of the New Options?	Each New Option is offered for free and is exercisable at \$0.10 until the expiry date of 13 August 2021.	Section 5.2
What is the purpose of the funds raised under the Rights Issue?	The Rights Issue is being undertaken to provide funding for ongoing working capital expenditure. The effect of the Rights Issue on the Company is set out in Section 2.	Section 2
Do I have to pay brokerage on the New Shares and New Options?	No brokerage, commission or other participation costs are payable by you in respect of the acquisition of New Shares and New Options under the Rights Issue.	Section 1.3
What are the risks of subscribing for New Shares and New Options under the Rights Issue?	New Shares and New Options offered pursuant to this Prospectus should be considered speculative and an investment in the Company is subject to a range of risks, including (but not limited to):	Section 1

Topic	Summary	More information
	<ul style="list-style-type: none"> <li>• decline in online auto classified market and expenditure in Latin America;</li> <li>• decline in economic growth and automotive ownership in Latin America;</li> <li>• decline in growth in internet penetration, rate of migration online and rate of improvement of internet infrastructure;</li> <li>• the Company not obtaining Shareholder approval for the restructure of its Convertible Notes on issue;</li> <li>• managing rapid growth; and</li> <li>• increased competition.</li> </ul> <p>Further details on the risks associated with an investment in the Company are set out in Section 1.</p>	
How do I participate in the Rights Issue?	<p>In order to take up your Entitlement under the Rights Issue, forward your completed Entitlement and Acceptance Form together with your cheque, money order or bank draft in Australian currency drawn on and payable at an Australian bank for the amount shown on the form to reach the Company's Share Registry, Boardroom Pty Limited, no later than 5.00pm (AEST) on Wednesday, 3 July 2019 at the address set out below:</p> <p style="text-align: center;">LatAm Autos Limited c/- Boardroom Pty Limited GPO Box 3993 SYDNEY NSW 2001</p> <p>Cheques should be made payable to "LatAm Autos Limited" and crossed "Not Negotiable". Alternatively, a BPAY® option is also available. In order to use BPAY®, please follow the instructions set out on the Entitlement and Acceptance Form.</p>	Section 7.1
When will I receive my New Shares and New Options?	New Shares and New Options are expected to be issued to Eligible Shareholders who participate in the Rights Issue on 10 July 2019. Holding statements are expected to be sent to successful Applicants shortly after the issue of the New Shares and New Options.	Section 1.1.9
Will New Options be quoted on ASX?	The Company has applied or will apply to ASX for the New Options to be granted Official Quotation on ASX. Official Quotation of the New Options will be conditional on the satisfaction of the requirements of the ASX for the creation of a new class of listed security.	Section 4.2(l)
When can I trade my New Shares and New Options	It is expected that New Shares and New Options issued under the Rights Issue will commence trading on ASX on 11 July	Section 1.1.10

Topic	Summary	More information
issued under the Rights Issue?	2019, subject to the New Options meeting the requirements for Official Quotation on ASX. You should confirm your holding of Shares and New Options before trading any New Shares or New Options you believe you have acquired under the Rights Issue.	
What are the rights and liabilities attaching to the New Shares issued under the Rights Issue?	New Shares issued under the Rights Issue will rank equally in all respects with existing Shares on issue at the Record Date.	Section 5.1
What are the rights and liabilities attaching to the New Options issued under the Rights Issue?	The rights and liabilities attaching to the New Options are set out in Section 5.2.	Section 5.2
How can Eligible Shareholders obtain further information?	<p>If you would like further information you can:</p> <ul style="list-style-type: none"> <li>• contact your stockbroker, accountant, solicitor and/or other professional adviser; and/or</li> <li>• visit the Company's website at <a href="http://www.latamautos.com">www.latamautos.com</a>.</li> </ul>	Section 7.7

## Placement Options Offer

Topic	Summary	More information
What is the Placement Options Offer?	The Placement Options Offer is an offer of a total of 82,258,398 New Options to Placement Participants, as attaching options, on the basis of one (1) New Option for every two (2) Shares subscribed for under the Placement, the issue of which New Options shall be issued subject to the Company obtaining Shareholder approval, and includes New Options attaching to Shares to be issued to related parties and Convertible Noteholders that agree to a redemption and subscription to equity, the issue of which is subject to Shareholder approval.	Section 1.2
What is the price per New Option under the Placement Options Offer?	New Options under the Placement Options Offer will be issued for nil consideration.	Section 1.2.1
Am I eligible to participate in the Placement Options Offer?	Only participants in the Placement are entitled to participate in the Placement Options Offer.	Section 1.1.4
How many New Options will I receive if I participate in the Placement Options Offer?	You will receive one (1) New Option for every two (2) Shares subscribed for under the Placement.	Section 1.2

Topic	Summary	More information
What are the terms of the New Options to be issued under the Placement Options Offer?	Each New Option is offered for free and is exercisable at \$0.10 until the expiry date of 13 August 2021.	Section 5.2
When will I receive my New Options under the Placement Options Offer?	The issue of New Options under the Placement Options Offer is subject to the Company obtaining Shareholder approval for such issue, and the New Options will be issued as soon as practicable following a general meeting of the Company's Shareholder's at which the issue is approved, and in any event within three months of that general meeting. It is anticipated that a Shareholder meeting seeking approval for the issue of New Options under the Placement Options Offer will be held by 30 September 2019.	Section 1.2.2
What are the rights and liabilities attaching to the New Options issued under the Placement Options Offer?	The rights and liabilities attaching to the New Options are set out in Section 5.2.	Section 5.2
How can Placement Participants obtain further information?	<p>If you would like further information you can:</p> <ul style="list-style-type: none"> <li>• contact your stockbroker, accountant, solicitor and/ or other professional adviser; and/or</li> <li>• visit the Company's website at <a href="http://www.latamautos.com">www.latamautos.com</a>.</li> </ul>	Section 7.7

## INVESTMENT HIGHLIGHTS

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### Purpose of the Rights Issue and Placement

The primary purpose of the Rights Issue is to raise up to approximately \$6,572,000 (before expenses), which funds are planned to be used with approximately \$3,199,000 raised from the Placement, for the purposes of meeting the Company's working capital expenditure requirements as set out in the table below.

The table below shows the expected use of funds raised from the Rights Issue, which will be principally applied over the next 12 to 24 months used to accelerate the growth of the company via technology developments, personnel increases and marketing.

<b>Purpose</b>	<b>Maximum Rights Issue and Placement funds to be applied</b>
Personnel	\$4,695,000
Technology	\$2,348,000
Marketing	\$2,348,000
<b>TOTAL</b>	<b>\$9,390,000</b>

#### (a) Effect of Rights Issue and Placement on Company

##### Share Capital

The effect of the Offers on the capital structure of the Company, assuming that all Entitlements are accepted and no Options are exercised, Convertible Notes are converted and no performance rights vest prior to the Record Date, will be as follows:

##### Shares

<b>Number of Shares on issue prior to the Offers (including Shares issued under the Placement)</b>	<b>Number of New Shares to be issued under this Prospectus</b>	<b>Total Shares on issue upon completion of the Offers</b>
477,983,332	119,495,833	597,479,165

##### Options

<b>Number of Options on issue prior to the Offers (exercisable at \$0.17 each, expiring 31 December 2019)</b>	<b>Number of New Options to be issued under the Rights Issue</b>	<b>Number of New Options to be issued under the Placement Options Offer*</b>
49,900,084	59,747,916	82,258,398

\*The issue of New Options under the Placement Options Offer is conditional on Shareholder approval of such issue being obtained. This figure includes a number of New Options attaching to Shares to be issued to related parties and Convertible Noteholders that agree

to a redemption and subscription to equity, the issue of which is subject to Shareholder approval.

The numbers of options above do not include any options to be issued to the Joint Lead Managers pursuant to the Joint Lead Manager Mandate, as part of the Joint Lead Managers' remuneration as set out in section 6.4 of this Prospectus.

### **Convertible Notes**

The Company currently has on issue 6,594,840 Convertible Notes, having a face value of \$1.00 and representing an outstanding Convertible Note balance of \$7,608,964 including capitalised interest to 10 May 2019. The Convertible Notes will continue to accrue interest in accordance with their terms of issue.

The Company is intending to restructure the Convertible Notes with holders of the Convertible Notes confirming their intention to a redemption by subscription to equity of approximately \$3.1 million of the outstanding Convertible Note value, on terms consistent with the Rights Issue Entitlement Offer, being at 5.5 cents per Share and with one attaching option on the same terms as the New Options for every two Shares issued. The balance of the Convertible Notes will be restructured to extend the maturity date from 30 April 2020 to 31 July 2021, and reduce the conversion price from \$0.16 per Share to \$0.10 per Share, and every two Shares issued on conversion of the Notes will entitle the holders to one attaching option on the same terms as the New Options. The Company has agreed to convene a Shareholder meeting to seek approval for this restructure of the Convertible Notes and the associated issues of securities on or before 31 October 2019. It is anticipated that the Company will seek Shareholder approval by 30 September 2019.

### **Unlisted Performance Rights**

The Company also has 8,399,998 performance rights on issue, which may vest and be converted into Shares on satisfaction of certain performance criteria.

#### **(b) Cash Position**

Completion of the Offers and the Placement will also have the effect of increasing the Company's cash reserves by approximately \$9,390,023 (after deducting estimated costs of the Offer of \$634,563), providing funds to advance the activities and objectives of the Company.

In the event all of the New Options are exercised, the Company will raise an additional \$14,200,631.

#### **(c) Market Prices of Existing Shares on ASX**

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

Highest: 13.0 cents on 12, 13, 14, 15, 18 and 19 March 2019.

Lowest: 6.3 cents on 3 June 2019.

The last market sale price prior to the date of lodgement of this Prospectus with ASIC was \$0.063 on 3 June 2019.

## MANAGEMENT OVERVIEW

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### **Mr Timothy Handley**

*Executive Chairman*

Mr Handley is a co-founder and Director of LatAm Autos. Prior to co-founding LatAm Autos in early 2014, Mr Handley worked for 11 years' in mergers & acquisitions, equity and debt capital markets experience (including 8 years in Latin America). Previously Mr Handley worked at Gresham Partners and UBS. Mr Handley 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.

Mr Handley 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.

### **Mr Jorge Mejia**

*Executive Director and Chief Executive Officer*

Mr Mejia 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. Mr Mejia 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. Mr Mejia 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, Mr Mejia 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, Mr Mejia led the successful acquisitions of five different Latin American based online classified sites.

As CEO of Grupo Centrico Mr Mejia 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. Mr Mejia also led the successful acquisition and integration of PatioTuerca.Com and Vive1.com.

Mr Mejia 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.

### **Mr Simon Clausen**

*Non-executive Director*

Mr Clausen 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 Mr Clausen 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, Mr Clausen 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, Mr Clausen 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.

**Mr Michael Fitzpatrick**

*Non-executive Director*

Mike Fitzpatrick has over 40 years in the financial services sector. Committed to sustainability, Mike and his associated interests have made a range of investments in renewable energy and related technology development. Current investments include electric vehicles (California based Proterra) and high purity quartz for use in silicon manufacture (Creswick Quartz).

Mike holds a number of other non-executive directorships, including Infrastructure Capital Group, Carnegie Clean Energy Limited and Latam Autos Limited. Mike is also a Trustee of the Rhodes Trust.

Infrastructure Capital Group is a leading Australian based mid-market infrastructure fund manager with almost A\$1.8 billion in equity investments and with almost A\$500 million allocated to renewable energy in its recently launched Australian Renewable Infrastructure Fund (ARIF). Carnegie Clean Energy is a leading developer of utility scale solar projects as well as zero emission wave energy technology development.

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. Hastings' related directorships included Pacific Hydro, Australian Infrastructure Fund, Utilities Trust of Australia and Hastings Diversified Utilities Fund.

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 Pacific Current Group Limited, 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.

Mike has a Bachelor of Engineering with Honours from the University of Western Australia and a Master of Arts from Oxford University where he was the 1975 Rhodes Scholar from Western Australia.

**Mr Gareth Bannan**

*Chief Financial Officer and Alternate Director*

Mr Bannan is co-founder, joint company secretary and Chief Financial Officer of the Company. Mr Bannan has 14 years' financial management, mergers & acquisitions and capital markets experience (including 8 years in Latin America), and previously worked at Chestnut Partners (São Paulo), KPMG Corporate Finance (Sydney) and Rabobank (Sydney). Mr Bannan has extensive operating and advisory experience in online classified companies in Latin America.

**Mr Cameron Griffin**

*Alternate Director*

Mr Griffin has 20 years of finance and investment industry experience having worked in Australia, the United Kingdom and the United States of America. Mr Griffin currently runs the direct investment portfolio at Squitchy Lane Holdings, the private investment vehicle of the Fitzpatrick family office. Mr Griffin previously held investment and advisory roles at Hastings Funds Management Ltd and EY (Corporate Finance). Mr Griffin's other external appointments include directorships at AgCap Pty Ltd, as well as a board observer role at Proterra, Inc, a U.S. manufacturer of zero emission electric buses.

Details of the Directors' interests and benefits are set out in Sections 6.5 to 6.7.

## SECTION 1 DETAILS OF THE OFFERS

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

### 1.1. Entitlement Offer

The Rights Issue pursuant to this Prospectus is a pro rata non-renounceable rights issue ("Entitlement Offer"), as follows:

Entitlement Offer Details	
<b>New Shares:</b>	A total of 119,495,833 fully paid ordinary shares in the Company to be issued. New Shares will rank equally with existing Shares. The terms and conditions of the New Shares are set out in Section 5.
<b>New Options:</b>	Each subscriber for New Shares will receive one (1) free attaching Option for every two (2) New Shares subscribed for, having an exercise price of 10 cents (\$0.10) and expiry date of 13 August 2021.
<b>Fractions:</b>	Calculation of any Eligible Shareholder's fractional entitlements will be rounded up to the nearest whole number.
<b>Price:</b>	5.5 cents (\$0.055) per New Share.
<b>Entitlement:</b>	Eligible Shareholders are offered the right to subscribe for 1 New Share for every 4 Shares they hold at the Record Date.
<b>Eligible Shareholders:</b>	Shareholders of the Company registered on the Company's share register at the Record Date and residing in Australia and New Zealand. Please refer to Section 1.5 for further information about eligibility.
<b>No Rights Trading</b>	The rights of Eligible Shareholders to subscribe for their entitlement are non-renounceable and may not be traded on the ASX.
<b>How to apply:</b>	Eligible Shareholders wishing to subscribe for New Shares need to complete an Entitlement and Acceptance Form and submit it to the Company, together with payment prior to the Closing Date. See Section 7 for more details on how to apply.
<b>Opening Date:</b>	The Entitlement Offer will open on Monday, 24 June 2019.
<b>Closing Date*:</b>	The last day to subscribe for New Shares under the Entitlement Offer is 5:00 pm (AEST) on Wednesday, 3 July 2019.
<b>Shortfall</b>	Any New Shares not applied for by Eligible Shareholders under the Entitlement Offer shall form Shortfall Securities and be allotted pursuant to the Shortfall Offer. The Directors reserve the right to place any Shortfall Securities at their discretion within 3 months after the close of the

	Entitlement Offer pursuant to Listing Rule 7.2 Exception 3.
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\* The Board reserves the right to close the Entitlement Offer early or extend the Closing Date should it consider it necessary to do so.

#### **1.1.1. No trading of Entitlements**

The Entitlement Offer is non-renounceable and Eligible Shareholder's rights to subscribe for their Entitlement to New Shares under this Prospectus are not able to be sold, traded or transferred. Any part of your Entitlement that is not accepted by you will lapse.

#### **1.1.2. Shortfall Offer**

Any New Shares and New Options not applied for by Eligible Shareholders under the Entitlement Offer shall form the Shortfall Securities. Eligible Shareholders can apply for additional New Shares in excess of their pro rata entitlement ("Shortfall Offer") by completing the relevant section on their Entitlement and Acceptance Form and specifying the number of additional New Shares (and by implication, New Options) they wish to subscribe for. The issue of any Shortfall Securities under the Shortfall Offer will be dependent on the number of Shortfall Securities available.

Applications for Shortfall Securities must be accompanied by payment in full for the price of the Shortfall Securities applied for.

#### **Shortfall Securities**

##### *Allocation of Shortfall Securities amongst applicants under the Shortfall Offer*

Allocation of any Shortfall Securities to Eligible Shareholders who have submitted applications under the Shortfall Offer amongst those applicants will be considered and determined by the Directors at their discretion. The Directors reserve the right to place any Shortfall Securities at their discretion within 3 months' after the close of the Entitlement Offer pursuant to Listing Rule 7.2 Exception 3.

##### *Takeover law requirements*

It is the responsibility of each Eligible Shareholder to ensure that it will not breach the takeovers provisions under the Corporations Act (the 20% threshold) by applying for additional New Shares under the Shortfall Offer. These provisions are set out in section 606 of the Corporations Act. No Eligible Shareholder will be permitted to acquire additional New Shares under the Shortfall Offer to the extent the Company considers (acting reasonably) that doing so would result in a contravention of the takeovers limits in section 606 of the Corporations Act.

##### *No certainty regarding allocations*

As a consequence of the arrangements described above, there can be no guarantee of the number of additional New Shares and New Options available to Eligible Shareholders under the Shortfall Offer. Eligible Shareholders who apply for Shortfall Securities under the Shortfall Offer will be bound to accept any lesser number of additional New Shares allocated to them in accordance with the allocation procedure described above. If you do not receive all of the

additional New Shares and New Options you applied for, any excess application monies will be returned to you without interest.

#### **1.1.3. No Minimum Subscription**

There is no minimum subscription and the Rights Issue is not underwritten. In the event sufficient funds are not received under the Rights Issue to fund the Company's immediate working capital requirements, the Company may need to meet its working capital requirements using funds from one or a combination of the following:

- (a) funds raised under the Placement;
- (b) existing working capital;
- (c) debt funding; or
- (d) the proceeds of a future capital raising.

#### **1.1.4. Eligibility of Shareholders for the Entitlement Offer**

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

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

An Entitlement and Acceptance Form setting out Eligible Shareholders' Entitlements accompanies the hard copy of this Prospectus distributed to Eligible Shareholders.

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

Eligible Shareholders are also invited to apply for additional New Shares and New Options under the Shortfall Offer, by completing the section of the personalised Entitlement and Acceptance Form which deals with the Shortfall Securities. Section 7.3 of this Prospectus provides further information regarding Applications for Shortfall Securities.

#### **1.1.5. Public Offer**

Members of the public who are not Eligible Shareholders whose registered address is in Australia may subscribe for New Shares and New Options under the Shortfall Offer pursuant to this Prospectus by submitting a properly completed Application Form. Members of the public whose registered address is not in Australia, may not subscribe for New Shares and New Options under the Shortfall Offer. The Entitlements of Eligible Shareholders will be satisfied in full prior to any Shortfall Securities being allotted to members of the public in respect of such Applications. Upon Entitlements of Eligible Shareholders being satisfied in accordance with valid applications, any Shortfall Securities will be allotted between Eligible Shareholders who have applied for additional New Shares under the Shortfall Offer and members of the public who submit a valid Public Offer Application Form.

The allocation of any Shortfall Securities to members of the public who have submitted a valid Public Offer Application Form will be at the discretion of the Board.

A Public Offer Application Form will be included in the Prospectus and is available on the Company's website ([www.latamautos.com.au](http://www.latamautos.com.au)). Applications must be submitted prior to the Closing Date together with payment in full for the number of Shortfall Securities applied for.

#### **1.1.6. Custodians and Nominees**

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

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

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

#### **1.1.7. Eligible Shareholder Entitlements**

The Entitlement of each Eligible Shareholder is shown on the personalised Entitlement and Acceptance Form.

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

The Closing Date for acceptance of Entitlement and Acceptance Forms and Application Forms is 5:00pm (AEST) on Wednesday, 3 July 2019.

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

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

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

#### **1.1.9. Allotment of New Shares and New Options**

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

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

#### **1.1.10. ASX Quotation**

On or within 7 days of the date of this Prospectus the Company will make application for the New Shares and the New Options issued pursuant to the Offers to be granted quotation on the Official List of the ASX.

If ASX does not grant Official Quotation of the New Shares within 3 months after the date of the Prospectus then the New Shares and New Options will not be allotted and Application monies will be repaid in full without interest.

Quotation of the New Shares or the New Options on the Official List of the ASX does not in any way indicate an endorsement by the ASX of the Company, the Company's projects or the New Shares and New Options. The ASX takes no responsibility for the contents of this Prospectus.

#### **1.1.11. CHESS System**

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

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

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

Shareholders registered under the Issuer Sponsored subregister will receive a statement from Boardroom Pty Limited.

A CHESS statement or Issuer Sponsored Statement will routinely be sent to Shareholders at the end of any month in which the balance of their shareholding or option-holding changes. Shareholders may also request a statement at any other time, although a charge may be made for this additional service.

#### **1.1.12. International Shareholders**

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

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

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

Accordingly, this Entitlement Offer will not be made to International Shareholders. This Prospectus is sent to International Shareholders for information purposes only. In order for a Shareholder to participate in the Entitlement Offer, the Shareholder must be resident in Australia or New Zealand at the Record Date.

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

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

## **1.2. Offer of New Options to Placement Participants**

Under this Prospectus, each subscriber for New Shares under the Placement (“**Placement Participant**”) is offered New Options, on the basis of one (1) free attaching New Option for every two (2) Shares subscribed for under the Placement. The issue of New Options is conditional upon the Company obtaining Shareholder approval for such issue.

### **1.2.1. Offer price under the Placement Options Offer**

Placement Participants are being offered the opportunity to acquire New Options under the Placement Options Offer for nil consideration.

### **1.2.2. Conditional on Shareholder approval**

The issue of New Options under the Placement Options Offer is conditional on Shareholder approval of such issue being obtained. New Options will be issued to Placement Participants under the Placement Options Offer as soon as practicable following a general meeting of the Company's Shareholder's at which the issue is approved, and in any event within three months of that general meeting. It is anticipated that a Shareholder meeting to seek approval for the issue of New Options under the Placement Options Offer will be held by 30 September 2019.

### **1.2.3. ASX Quotation**

The Company will apply for quotation of New Options issued under the Placement Options Offer immediately following their issue in accordance with the ASX Listing Rules.

### **1.3. Costs of participation**

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

### **1.4. Issue Expenses**

The estimated expenses of the Rights Issue and the Placement, including the corporate adviser fees, professional fees, registry services and printing and postage are approximately \$634,563.

### **1.5. Application of Funds Raised**

The purpose of the Rights Issue and the Placement is to raise funds for the purposes of meeting the Company's working capital expenditure requirements, as follows:

<b>Purpose</b>	<b>Maximum Rights Issue and Placement funds to be applied</b>
Personnel	\$4,695,000
Technology	\$2,348,000
Marketing	\$2,348,000
<b>TOTAL</b>	<b>\$9,390,000</b>

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

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## **SECTION 2 PURPOSE AND EFFECT OF THE OFFERS**

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### **2.1. Purpose of the Offers**

This Rights Issue and the Placement are being undertaken principally to provide funds to meet the Company's ongoing working capital expenditure, including personnel expenses, marketing, technology and costs associated with the Rights Issue and the Placement.

The proceeds of the Offers are planned to be used in accordance with the table set out below which shows the expected use of funds raised from the Rights Issue, which will be principally applied over the next 12 to 24 months used to accelerate the growth of the company via technology developments, personnel increases and marketing.\*

<b>Purpose</b>	<b>Maximum Rights Issue and Placement funds to be applied</b>
Personnel	\$4,695,000
Technology	\$2,348,000
Marketing	\$2,348,000
<b>TOTAL</b>	<b>\$9,390,000</b>

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

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

## 2.2. EFFECT OF THE OFFERS ON THE COMPANY

### (a) Capital Structure

The effect of the Rights Issue and the Placement Options Offer on the capital structure of the Company, assuming that all Entitlements are accepted and no Options are exercised and no performance rights vest prior to the Record Date, will be as follows:

#### Shares

The acceptance by Eligible Shareholders of their Entitlements under the Rights Issue, and application being made under the Shortfall Offer will result in New Shares being issued, having the following effect on the Company's total number of issued Shares:

Number of Shares on issue prior to the Offers (including Shares issued under the Placement)	Number of New Shares to be issued under this Prospectus	Total Shares on issue upon completion of the Offers
477,983,332	119,495,833	597,479,165

#### Options

Number of Options on issue prior to the Offers (exercisable at \$0.17 each, expiring 31 December 2019)	Number of New Options to be issued under the Rights Issue	Number of New Options to be issued under the Placement Options Offer*
49,900,084	59,747,916	82,258,398

\*The issue of New Options under the Placement Options Offer is conditional on Shareholder approval of such issue being obtained. This figure includes a number of New Options attaching to Shares the issue of which is subject to Shareholder approval.

The numbers of options above do not include any options to be issued to the Joint Lead Managers pursuant to the Joint Lead Manager Mandate, as part of the Joint Lead Managers' remuneration as set out in section 6.4 of this Prospectus.

#### Convertible Notes

The Company currently has on issue 6,594,840 Convertible Notes, having a face value of \$1.00 and representing an outstanding Convertible Note balance of \$7,608,964 including capitalised interest to 10 May 2019. The Convertible Notes will continue to accrue interest in accordance with their terms of issue.

The Company is intending to restructure the Convertible Notes with holders of the Convertible Notes confirming their intention to a redemption by subscription to equity of approximately \$3.1 million of the outstanding Convertible Note value, on terms consistent with the Rights Issue Entitlement Offer, being at 5.5 cents per Share and with one attaching option on the same terms as the New Options for every two Shares issued. The balance of the Convertible Notes will be restructured to extend the maturity date from 30 April 2020 to 31 July 2021, and reduce the conversion price from \$0.16 per Share to \$0.10 per Share, and every two Shares issued on conversion of the Notes will entitle the holders to one attaching option on the same terms as the New Options. The Company has agreed to convene a Shareholder meeting to seek approval for this restructure of the Convertible Notes and the associated issues of securities on or before 31 October 2019. It is anticipated that the Company will seek Shareholder approval by 30 September 2019.

#### **Unlisted Performance Rights**

The Company also has 8,399,998 performance rights on issue, which may vest and be converted into Shares on satisfaction of certain performance criteria.

#### **(b) Cash Position**

Completion of the Offers and the Placement will also have the effect of increasing the Company's cash reserves by approximately \$9,390,023 (after deducting estimated costs of the Offer of \$634,563), providing funds to advance the activities and objectives of the Company.

In the event all of the New Options are exercised, the Company will raise an additional \$14,200,631.

Note that no consideration will be received by the Company on the issue of the New Options. There is no certainty that all or some of the New Options will be exercised and consequently no certainty that the Company will receive proceeds from the exercise of the New Options nor issue additional Shares on the exercise of the New Options.

#### **(c) Market Prices of Existing Shares on ASX**

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

Highest: 13.0 cents on 12, 13, 14, 15, 18 and 19 March 2019.

Lowest: 6.3 cents on 3 June 2019.

The last market sale price prior to the date of lodgement of this Prospectus with ASIC was \$0.063 on 3 June 2019.

#### **(a) New Class of Securities – New Options**

The Offers will have the effect of creating a new class of securities issued by the Company, being the New Options.

#### **(b) Effect of Entitlement Offer on Control**

If all Eligible Shareholders take up their full Entitlements, there would be no significant effect on the control of the Company, as the Entitlement Offer is made pro-rata and in that case no rights would lapse or revert to the Shortfall Offer as described at Section 1.1.2.

As the Company does not propose to apply to ASIC for the approval of the appointment of a nominee for the purposes of section 615 of the Corporations Act, no person will be permitted to acquire New Shares or New Options under the Rights Issue to the extent that such acquisition results in that person holding a relevant interest exceeding 20% of the issued share capital of the Company on a post Rights Issue basis.

As the Rights Issue has no minimum subscription and is not underwritten and there is no guarantee that the Directors can place any or all of the Shortfall Securities remaining after close of the Offers, where the Entitlement Offer is not well subscribed, the Rights Issue may result in one or more substantial shareholders increasing their voting power in the Company (but subject to the 20% threshold).

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

<b>Substantial Shareholder</b>	<b>No. of shares</b>	<b>% of current issued capital</b>
IOOF Holdings Limited	58,895,955	14.03%
Chestnut Partners Limited <sup>1</sup>	45,000,000	10.72%
Log Creek Pty Ltd (ATF the Log Creek Vineyard Trust) <sup>2</sup>	41,234,274	9.82%
Simon Clausen <sup>3</sup>	29,839,290	7.11%

<sup>1</sup> The Shares held by Chestnut Partners Limited are held on trust beneficially for each of Mr Tim Handley (Executive Chairman of the Company), who has a controlling interest in Chestnut Partners Limited, and Mr Gareth Bannan (Chief Financial Officer and Alternate Director of the Company), who has an interest greater than 20% in Chestnut Partners Limited – Mr Handley and Mr Bannan therefore each have a relevant interest in the Shares held by Chestnut Partners Limited

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

<sup>3</sup> Simon Clausen is a Non-executive Director of the Company.

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

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Set out overpage is a pro forma Statement of Financial Position for the Company after taking into account the effect of the Offers. This statement is based on the audited accounts of the Company as at 31 December 2018, lodged with the ASX on 29 March 2019.

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

- (a) the completion of the Placement announced on 14 June 2019, via which the Company raised approximately \$3,199,000;
- (b) there being no other material changes to the Company's Statement of Financial Position since 31 December 2018;
- (c) the Rights Issue being fully subscribed resulting in the Company issuing an additional 119,495,833 New Shares raising a total of approximately \$6,572,000;
- (d) the costs of the Offers estimated as being \$634,563; and
- (e) the activities of the Company since 31 December 2018 not being recognised in the *pro forma* Statement of Financial Position.

	Statutory Historical Balance Sheet 31/12/2018	Placement Tranche 1 Adjustments	Placement Tranche 2 Adjustments*	Rights Issue Adjustments	Convertible note Adjustments	Fees Adjustments	Proforma Historical Balance Sheet 31/12/2018
<b>Assets</b>							
Cash and equivalents	6,600	3,199	253	6,572		(635)	15,990
Trade and other receivables	2,838						2,838
Other	371						371
Total current assets	A\$('000)	9,809	3,199	253	6,572	–	(635) 19,199
Other receivables		889					889
Plant and equipment		352					352
Intangibles		23,321					23,321
Deferred tax		593					593
Total non-current assets	A\$('000)	25,155	–	–	–	–	25,155
Total assets	A\$('000)	34,964	3,199	253	6,572	–	(635) 44,354
<b>Liabilities</b>							
Trade and other payables		4,780					4,780
Employee benefits		1,047					1,047
Provisions		45					45
Contract liabilities - deferred service income		260					260
Total current liabilities	A\$('000)	6,132	–	–	–	–	6,132
Deferred tax		624					624
Employee benefits		254					254
Convertible note		6,913			3,135		10,048
Total non-current liabilities	A\$('000)	7,791	–	–	–	3,135	– 10,926
Total liabilities	A\$('000)	13,923	–	–	–	3,135	– 17,058
Net assets	A\$('000)	21,041	3,199	253	6,572	(3,135)	(635) 27,296
<b>Equity</b>							
Issued capital		76,306	3,199	253	6,572	(3,135)	(635) 82,561
Other contributed equity		1,693					1,693
Reserves		1,858					1,858
Accumulated losses		(58,816)					(58,816)
Total equity	A\$('000)	21,041	3,199	253	6,572	(3,135)	(635) 27,296

\*Relates to issues of Shares under the Placement which are subject to Shareholder Approval

## **SECTION 4 RISK FACTORS**

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### **4.1. General**

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

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

### **4.2. Risk factors specific to the Company**

#### **(a) *Additional Requirements for Capital***

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

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

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

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

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

Latin America is currently experiencing rising levels of automotive ownership, which has been stimulated by growing wealth and GDP per capita. Although it is anticipated that economic growth in Latin America will continue to stimulate rising levels of automotive ownership, this may not eventuate. If economic growth, and therefore automotive

ownership in Latin America does not increase as expected, this may impact on the Company's advertising and listing revenues and therefore on the expected growth of the Company.

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

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

(e) ***Managing rapid growth***

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

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

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

(g) ***Increased competition***

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

(h) ***Foreign currency risk***

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

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

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

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

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

(k) ***Approval for convertible note restructure not being obtained***

The Company has 6,594,840 Convertible Notes on issue, each having a face value of \$1.00 bearing interest at 8% per annum (the total value of the Convertible Notes, including capitalised interest to 10 May 2019 being \$7,608,964). The Convertible Notes are secured over assets of each the Company's Ecuadorian subsidiaries, Avisoriaweb S.A. and Latamautos Corporacion S.A., and the Company's Mexican subsidiary, Latamautos Mexico S. de R.L. de C.V. and all shares in each of those subsidiaries.

The Company has entered into an agreement with Convertible Note holders to restructure its Convertible Notes, which will have the effect of extending the maturity date from 30 April 2020 to 31 July 2021 and reducing the conversion price from \$0.16 per Share to \$0.10 per Share. The restructure of the Convertible Notes is conditional upon shareholder approval. If Shareholders do not approve the Convertible Note restructure, the Company may need to redeem the Convertible Notes on their current maturity date of 30 April 2020, which would require capital expenditure by the Company. It is anticipated that a Shareholder meeting for the restructure of the Convertible Notes will be held by 30 September 2019.

While the Convertible Notes do not mature until 30 April 2020, they may be redeemed by a noteholder prior to this time upon the occurrence of certain events (e.g. failure by the Company to comply with the terms of the Convertible Notes, an insolvency event occurs in respect of the Company or one of its subsidiaries, or certain actions being taken by the Company or one of its subsidiaries in respect of the business without the consent of the noteholders). If the noteholders, collectively or individually, elect to redeem the Convertible Notes (rather than to have them convert to Shares) pursuant to the terms of the Convertible Notes, the Company may not have sufficient cash reserves to repay amounts owing to the noteholders on redemption of the Convertible Notes. Furthermore, the Company's ability to comply with the covenants and representations given in, as well as the terms of, the Convertible Notes may be affected by events beyond the Company's control, including prevailing economic, financial and industry conditions. Events of default, if not waived or cured, could result in the noteholders requesting the redemption (rather than the conversion of the notes). If the Company is not able to

redeem the notes in accordance with the Convertible Notes terms, the noteholders could proceed against the security granted to them to secure the monies owing to them pursuant to the Convertible Notes. If the noteholders accelerate the payment of the Company's indebtedness under the Convertible Notes, the Company's assets may not be sufficient to repay in full such indebtedness.

(l) ***New Options not becoming quoted on ASX***

The New Options are not part of an existing quoted class of securities on ASX. The Company has applied or will apply to ASX for New Options to be granted Official Quotation. Official Quotation of the New Options will be conditional on there being a sufficient number of holders of the New Options to satisfy the requirements of the ASX for the creation of a new class of listed security. If the requirements for Official Quotation are not satisfied, the New Options may not be quoted on ASX, and therefore not be able to be traded on ASX. No application monies will be repaid if the New Options offered under this Prospectus are not admitted to official quotation.

(m) ***Retaining key employees***

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

(n) ***Recruiting new employees***

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

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

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

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

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

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

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

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

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

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

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

(s) ***Hacker attacks***

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

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

(t) ***Intellectual property rights***

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

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

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

(u) ***Local labour laws***

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

#### **4.3. General Risks**

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

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

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

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

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

The New Shares are to be quoted on ASX where their price may rise or fall.

The New Shares issued under the Entitlement Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. The value of the New Shares will be determined by the share market and will be subject to a range of factors beyond the control of the Company and its Directors including the demand and availability of Shares.

There can be no guarantee that an active market in New Shares will develop or the market price of the shares will not decline. An investment in New Shares should be considered speculative.

(b) ***Government policy***

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

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

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

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

(d) ***Taxation risk***

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

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

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

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

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

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

Investment in the Company is regarded as speculative and neither the Company nor any of its Directors guarantees that any specific objective of the Company will be achieved or that any particular performance of the Company or its securities, including the New Shares and New Options offered by this Prospectus will be achieved.

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

## **SECTION 5      RIGHTS AND LIABILITIES ATTACHING TO THE SECURITIES**

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### **5.1.      Rights attaching to the Shares**

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

- the Constitution; and
- in certain circumstances, the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules and the general law.

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

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

#### **5.1.1.    Variation of rights**

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

#### **5.1.2.    Voting rights**

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

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

#### **5.1.3.    General meetings**

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

The Directors may convene a general meeting at their discretion.

#### **5.1.4.    Dividends**

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

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

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

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

#### **5.1.6. Transfer of shares**

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

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of shares upon which the Company has a lien.

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

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

### **5.2. Rights attaching to New Options**

The following are the terms of the Options to be issued pursuant to this Prospectus.

#### **5.2.1. Issue**

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

#### **5.2.2. Ranking**

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

#### **5.2.3. Exercise of New Options**

- (a) The New Options are exercisable at any time from the date of issue until 5:00pm (AEST) on 13 August 2021.
- (b) An exercise of any New Options may only be effected:

- (i) by the holder of the New Options completing a notice of exercise of the New Options in any usual or common form or in the form, or substantially in the form, of the notice of exercise prepared by or on behalf of the Company for this purpose or in such other form approved by the Company from time to time and giving the notice to the Company together with payment of the exercise price for each New Option exercised in accordance with the instructions for exercise set out in the notice of exercise; or
- (ii) by following any other instructions for exercise set out in the notice of exercise prepared by or on behalf of the Company for this purpose;

and, unless otherwise agreed by the Company, only upon receipt by the Company of that notice and payment or upon completion of any other instructions for exercise will the New Options be taken to have been duly exercised.

#### **5.2.4. Exercise price**

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

#### **5.2.5. Quotation**

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

#### **5.2.6. Participation in Securities Issues**

##### **(a) Bonus Issue**

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

##### **(b) Other Pro Rata Issue**

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

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

where:

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

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

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

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

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

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

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

(c) **No other issues**

Except as set out in this section 5.2.6, New Options will not entitle their holder to participate in any issue of securities in or in respect of the Company other than the Shares to be acquired in consequence of the exercise of the Options.

#### 5.2.7. Reorganisation of New Options

If at any time after the issue of New Options:

- (a) the Shares are converted into a larger or smaller number of shares, the number of New Options immediately prior to such conversion will be converted in the same ratio as the Shares and the exercise price will be adjusted in inverse proportion to that ratio;
- (b) the Company reduces its share capital by a return of capital to the holders of Shares, the number of New Options will remain the same but the exercise price will be reduced by the same amount as the return of capital on each Share;
- (c) the Company reduces its share capital by a cancellation of capital that is either lost or not represented by available assets where no Shares are cancelled, the number of New Options and the exercise price will remain unaltered;
- (d) there is pro rata cancellation of Shares, the number of New Options will be reduced in the same ratio as the Shares and the exercise price will be amended in inverse proportion to that ratio; or
- (e) there is any other reconstruction or reorganisation of the Company's share capital, the number of New Options or the exercise price or both will be reorganised in such manner

as the board of directors of the Company consider necessary so that the holders of the New Options will not receive a benefit that the holders of Ordinary Shares do not receive in connection with the reconstruction or reorganisation;

provided that all entitlements will be rounded in such manner as may be approved at the meeting of holders of Shares approving the reconstruction or reorganisation of the Company's share capital) or, if there is no such approval, in the same manner as entitlements under the reconstruction or reorganisation of the Company's share capital are rounded (and if rounded down fractional entitlements will be disregarded) and in all other respects the terms of the New Options will remain unchanged as a consequence of any reconstruction or reorganisation.

#### **5.2.8. Transfer of New Options**

- (a) Subject to paragraph 5.2.8(b), a holder of New Options may transfer each of them by:
  - (i) an instrument in writing in any usual form or in a form approved by the Company which is signed by or on behalf of both the transferor and the transferee; and
  - (ii) sending the completed transfer to the Company for registration accompanied by any evidence the Company requires to prove the title of the transferor or the transferor's right to the New Option and any other evidence the Company requires to prove the right of the transferee to be registered as the owner of the New Options.
- (b) A transferor of New Options remains the holder of the New Options transferred until:
  - (i) the transfer is registered; and
  - (ii) the name of the transferee is entered in the register of holders of New Options for the New Options transferred.
- (c) The Company may retain any registered instrument of transfer for the period that the Company thinks fit.
- (d) Except in the case of fraud, the Company must return any instrument of transfer which the Company declines to register, to the person who sent it to the Company together with any documents which accompanied the transfer.
- (e) To the extent permitted by law, the Company may waive all or any of the requirements for transfers of New Options under the terms of the New Options in this section 5.2.8 which are to be satisfied by the transferor or transferee.

#### **5.2.9. Registration of transfers**

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

#### **5.2.10. Power to suspend registration of transfers**

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

### **5.2.11. Transmission of New Options**

- (a) If a New Option holder dies, the only persons the Company recognises as having any title to the holder's New Options or any benefits accruing in respect of those New Options are:
  - (i) the legal personal representative of the deceased, if the deceased was a sole holder; and
  - (ii) the survivor or survivors, if the deceased was a joint holder.
- (b) Nothing in paragraph 5.2.11(a) above releases the estate of a deceased New Option holder from liability in respect of a New Option, whether the deceased held that New Option solely or jointly.
- (c) A person who becomes entitled to New Options because of a transmission event may
  - (i) sign a written notice stating that the person wishes to register as the holder of the New Options and serve it on the Company; or
  - (ii) execute a transfer of the New Options to another person;subject to proving that person's entitlement by producing any evidence that the Company requires.
- (d) The rules about transferring New Options apply with the necessary changes to a transfer under paragraph 5.2.11(c)(c)(ii) as if:
  - (i) the relevant transmission event had not occurred; and
  - (ii) the person entitled to the New Options because of the transmission event were the registered holder of the New Options.
- (e) If 2 or more persons are jointly entitled to New Options because of a transmission event, then upon being registered, they hold the New Options as joint tenants with rights of survivorship.
- (f) Despite paragraph 5.2.11(a), the Company may register a transfer of Options which the holder of the New Options signs prior to a transmission event, even though the Company has notice of the transmission event.

### **5.2.12. Listed company**

- (a) The terms under this paragraph 5.2.12 only apply whilst the New Options are granted official quotation by ASX and the terms in paragraphs 5.2.8 to 5.2.11 will not apply to the extent that they are inconsistent with this paragraph 5.2.12.
- (b) Subject to the terms of the New Options, a holder of a New Option may transfer a New Option:
  - (i) if the New Option is, or is in a class of securities that is, an Approved Financial Product, through CHESS in accordance with the ASX Settlement Operating Rules;

- (ii) if another prescribed clearing and settlement facility is approved by the board of Directors of the Company to deal with the transfer of New Options, through that facility in accordance with its operating rules; or
  - (iii) if another method of transfer is approved by the board of directors of the Company to deal with the transfer of New Options and under the Corporations Act or otherwise at law that method is valid and effective to transfer the New Option, in accordance with that method.
- (c) The Company may only decline to register a transfer of New Options (including by applying a holding lock, or requesting that a holding lock be applied to prevent a transfer of the New Options) if permitted to do so by the ASX Listing Rules.
- (d) The Company must:
- (i) decline to register a transfer of New Options; or
  - (ii) apply a holding lock, or request that a holding lock be applied to prevent a transfer of the New Options;
- if:
- (iii) the ASX Listing Rules require the Company to do so; or
  - (iv) the transfer is in breach of the ASX Listing Rules or a restriction agreement.
- (e) If in the exercise of its rights set out in this paragraph 5.2.12 the Company refuses to register a transfer of New Options or applies a holding lock, or requests that a holding lock be applied, to prevent a transfer of the New Options, the Company must notify:
- (i) in the case of refusing to register a paper-based transfer, the person lodging the transfer with the Company for registration; and
  - (ii) in the case of applying a holding lock, or requesting that a holding lock be applied, to prevent a transfer of the New Options, the holder of the New Options;
- in writing of the refusal or the holding lock (as the case may be) and the reason for it, within the time limit prescribed by the ASX Listing Rules. Failure to give such notice does not invalidate the decision of the Company to refuse registration or otherwise prevent the transfer.

#### **5.2.13. Notices**

- (a) The Company may send a notice in connection with the New Options hand delivery, pre-paid post or facsimile transmission to a holder of New Options at the holder's address as shown in the register of holders of New Options or other address details the holder has supplied.
- (b) A holder of New Options may send a notice in connection with the New Options by hand delivery, pre-paid post or facsimile transmission to the Company at its registered office or in such other way as the Company may have last notified the holder in writing.

- (c) A notice sent by the Company to a holder of New Options is deemed to be received:
- (i) if sent by hand delivery, at the time of delivery if on a Business Day (as defined in the Listing Rules) at or before 5:30 pm, otherwise on the next Business Day;
  - (ii) if sent by pre-paid post, on the second Business Day after the date of posting;
  - (iii) if sent by facsimile transmission, at the time of transmission if on a Business Day at or before 5:30 pm, otherwise on the next Business Day, provided that the transmission report produced by the sending machine shows that the facsimile was sent in its entirety; or
  - (iv) if sent by email, at the time of sending if on a Business Day at or before 5:30 pm, otherwise on the next Business Day, provided that the sender does not receive a subsequent 'Out of Office' reply or similar response or a system administrator message stating that the email did not reach its intended recipient.

#### **5.2.14. Meeting of holders of Options**

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

## **SECTION 6 ADDITIONAL INFORMATION RELEVANT TO THE OFFERS**

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### **6.1. The Company is a Disclosing Entity**

The Company is a disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure requirements. As a listed company, the Company is required to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

The ASX maintains records of company announcements for all companies listed on the ASX. The Company's announcements may be viewed on the ASX's website at [www.asx.com.au](http://www.asx.com.au).

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

### **6.2. Section 713 Prospectus**

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

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

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

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

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

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

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

arise for the purpose of ASX making that information available to the stock market conducted by ASX.

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

### **6.3. Right to Obtain Copies of Documents**

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

- (a) the annual financial report of the Company for the year ended 31 December 2018, being the annual financial report most recently lodged by the Company with the ASIC; and
- (b) any continuous disclosure notices (that is, documents in which the ASX was notified of information relating to the Company) given by the Company after 29 March 2019, being the date of lodgement of the 31 December 2018 annual financial report and before lodgement of a copy of this Prospectus with the ASIC. These documents are:

29/03/2019	Appendix 4G and 2018 Corporate Governance Statement
18/04/2019	Notice of Annual General Meeting/Proxy Form
30/04/2019	March 2019 Quarterly Report and Appendix 4C
21/05/2019	Corporate Update and Retirement of Director
21/05/2019	LatAm Autos AGM and Investor Presentation
21/05/2019	Results of Annual General Meeting
22/05/2019	Final Director's Interest Notice (Colin Galbraith)
04/06/2019	Pause in trading
04/06/2019	Trading Halt
04/06/2019	Appendix 3B
06/06/2019	Voluntary Suspension from Official Quotation
14/06/2019	Appendix 3B
14/06/2019	LatAm Announces Equity Raising and Changes to Board of Directors
14/06/2019	Investor Presentation

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

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

The Company's Constitution and the consents referred to in Section 6.11 are also available for inspection for a period of 12 months after the date of this Prospectus during normal business hours at the Company's office at:

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

#### **6.4. Joint Lead Managers**

The Company has entered into a mandate agreement with Foster Stockbroking Pty Limited and CCZ Statton Equities Pty Ltd ("Joint Lead Managers") pursuant to which the Company has appointed the Joint Lead Managers as the joint lead managers ("Joint Lead Managers Mandate") in relation to the Offers under this Prospectus and the Placement.

In consideration for the services provided by the Joint Lead Managers, the Company has agreed to pay to the following fees to the Joint Lead Managers:

- (a) a management and distribution fee of 5% of the gross amounts received by the Company:
  - (i) from the Placement;
  - (ii) from the placement of any Shortfall; and
  - (iii) any amounts received by the Company, from Perennial Value Management (and its related parties) and any other Placement Participants, in relation to the Rights Issue.

No fees will be payable on gross amounts received from existing convertible noteholders, current and future Company Directors, and select institutional and sophisticated investors. Any selling fees payable to brokers engaged by the Joint Lead Managers will be paid by the Joint Lead Managers from this fee;

- (b) a management fee of \$50,000 plus GST; and
- (c) a minimum of 3,000,000 New Options, plus 2,000,000 New Options for every additional \$1,000,000 in gross amounts received by the Company:
  - (i) from the Placement;
  - (ii) from the placement of any Shortfall; and
  - (iii) any amounts received by the Company, from Perennial Value Management (and its related parties) and any other Placement Investors, in relation to the Rights Issue.

No New Options will be payable on gross amounts received from existing convertible noteholders, current or future Company Directors, and select institutional and sophisticated investors. The New Options will be in consideration for the work undertaken up to the date of the Joint Lead Managers Mandate. The Joint Lead Managers have undertaken not to trade in any New Options within 12 months of the date of issue.

The Joint Lead Managers will be entitled to be reimbursed for expenses, which may include airfares, accommodation, legal and printing costs, couriers and telecommunications costs.

The Joint Lead Managers Mandate otherwise contains terms and conditions which are considered standard for an agreement of this nature, including those relating to confidentiality, limiting the Joint Lead Managers' liability and certain covenants, representations and warranties from the Company to the Joint Lead Managers. In addition, the Company has provided certain indemnities to the Joint Lead Managers and their officers, employees, agents and advisers.

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

Details of the interests of each Director in securities of the Company immediately before lodgement of the Prospectus with ASIC are set out in the table below. The table does not take into account any securities the Directors may acquire under the Entitlement Offer. The Director profiles are set out on page 2 of this Prospectus and contain details of the Board's experience and expertise.

*Relevant Interests of Directors (including indirect interests)*

Director	Shares	Unlisted Options	Unlisted Convertible Notes	Unlisted Performance Rights
Tim Handley	26,919,717*	112,782	Nil	900,000
Jorge Mejia	15,916,447	187,970	Nil	4,150,000
Simon Clausen	29,839,290	964,290	663,003	Nil
Michael Fitzpatrick	41,234,274	3,571,429	5,105,722	Nil
Gareth Bannan	21,336,227**	513,905	Nil	650,001
Cameron Griffin	Nil	Nil	Nil	Nil

\*This number includes Shares held by Chestnut Partners Limited, an entity in which Mr Handley has a controlling interest.

\*\*This number includes Shares held by Chestnut Partners Limited, an entity in which Mr Bannan has an interest exceeding 20%.

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

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

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

(ii) the Offers.

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

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

As an executive Director, Mr Tim Handley is currently paid \$262,356 per annum plus statutory superannuation.

As Chief Executive Officer and executive Director, Mr Jorge Mejia is currently paid US\$210,000 per annum.

As a non-executive Director, Mr Michael Fitzpatrick is currently paid \$50,228 in directors fees per annum plus statutory superannuation.

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

As Chief Financial Officer, Mr Gareth Bannan is currently paid \$200,919 per annum.

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

The following table shows the annual remuneration paid to both executive and non-executive directors and the CFO for the last two financial years ended 31 December 2017 and 31 December 2018:

	Short-term benefits			Post-employment benefits			Share-based payments	Total	
	Cash salary and fees 2018	Bonus * shares issued \$	Cash expense allowance \$	Annual leave \$	Super- annuation \$	Other long-term incentives \$	Equity- Settled (Performan- ce Rights) \$		
<i>Non-Executive Directors:</i>									
<i>Executive Directors:</i>									
Mr S Clausen	55,000	-	-	-	-	-	-	55,000	
Mr M Fitzpatrick	50,228	-	-	-	4,772	-	-	55,000	
Mr C Galbraith**	50,228	-	-	-	4,772	-	-	55,000	
<i>Other Key Management Personnel:</i>									
Mr G Bannan	200,919	35,030	-	6,972	-	-	26,072	268,993	
	<u>900,359</u>	<u>358,630</u>	<u>-</u>	<u>27,153</u>	<u>34,468</u>	<u>-</u>	<u>107,013</u>	<u>1,427,623</u>	

## 2017

### *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

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

\*\*Colin Galbraith resigned as a Director of the Company with effect from 21 May 2019.

Further details of the remuneration of Directors is set out in the Remuneration Report set out in the 2018 Annual Report of the Company.

### **6.8. Anticipated Board Changes**

The Company notes that on 14 June 2019, a number of changes to the composition of the Board of Directors were announced to ASX, which will take effect following the conclusion of the Offers made under this Prospectus, including the appointments of Mr Donald Cahill and Mr Joe Hanna as Directors. Mr Cahill and Mr Hanna have had no involvement in the preparation of this Prospectus nor in the Offers made under this Prospectus. The Company notes that it was also announced on 14 June 2019 that Mr Tim Handley will, at the conclusion of the Offers made under this Prospectus, become a Non-Executive director of the Company and that Mr Michael Fitzpatrick will become the Company's interim Non-Executive Chairman.

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

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory, expert or any other capacity in connection with the preparation and distribution of this Prospectus, promoters of the Company (together, "Prescribed Persons") holds, or at any time in the past two years held, any interest in:

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

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

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

GrilloHiggins Lawyers will receive the sum of approximately \$40,000 (excluding GST and disbursements) from the Company for the provision of legal services to the Company in connection with the Offers.

Grant Samuel Corporate Finance Pty Limited have acted as Corporate Adviser for the Offers under this Prospectus, for which it will receive fees pursuant to its mandate consisting of a fee calculated as 1.25% of funds received pursuant to the Rights Issue and the Placement.

Foster Stockbroking Pty Limited and CCZ Statton Equities Pty Ltd have acted as Joint Lead Managers in respect of the Offers under this Prospectus and the Placement, for which they will receive fees pursuant to the mandate as summarised at section 6.4.

#### **6.10. Litigation**

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against us.

#### **6.11. Consents**

GrilloHiggins Lawyers has given and as at the date of this Prospectus has not withdrawn its consent to be named as the Company's solicitors in relation to the Offers. GrilloHiggins Lawyers has not authorised or caused the issue of any part of this Prospectus.

Grant Samuel Corporate Finance Pty Limited has given and as at the date of this Prospectus has not withdrawn its consent to be named as the Company's corporate advisers in relation to the Offers. Grant Samuel Corporate Finance Pty Limited has not authorised or caused the issue of any part of this Prospectus.

Foster Stockbroking Pty Limited and CCZ Statton Equities Pty Ltd have each given, and as at the date of this Prospectus have not withdrawn, their consent to be named as Joint Lead Managers in relation to the Offers. Neither Foster Stockbroking Pty Limited nor CCZ Statton Equities Pty Ltd has authorised or caused the issue of any part of this Prospectus.

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

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

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

As an Existing Shareholder, you may:

- take up your Entitlement in full;
- take up your Entitlement in full and apply for Shortfall Securities;
- take up part of your Entitlement; or
- do nothing and allow your Entitlement to lapse.

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

If you wish to take up all of your Entitlement complete the accompanying Entitlement and Acceptance Form for New Shares and New Options in accordance with the instructions set out in the form. Forward your completed Entitlement and Acceptance Form together with your cheque, money order or bank draft in Australian currency drawn on and payable at an Australian bank for the amount shown on the form to reach the Company's Share Registry, Boardroom Pty Limited, no later than 5.00pm (AEST) on Wednesday, 3 July 2019 at the address set out below:

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

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

If you are accepting all or part of your Entitlement and payment is being made by BPAY®, you are not required to return the Entitlement and Acceptance Form. Your BPAY® payment must be received by no later than 5.00pm Melbourne time on Wednesday, 3 July 2019.

### **7.3. Taking up Shortfall by Shareholder**

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

Forward your completed Entitlement and Acceptance Form together with your cheque, money order or bank draft in Australian currency drawn on and payable at an Australian bank for the amount shown on the form to reach the Company's Share Registry, Boardroom Pty Limited, no later than 5.00pm (AEST) on Wednesday, 3 July 2019 at the address set out below:

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

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

Alternatively, a BPAY® option is also available. In order to use BPAY®, please follow the instructions set out on the Entitlement and Acceptance Form. If you are accepting all or part of your Entitlement and payment is being made by BPAY®, you are not required to return the Entitlement and Acceptance Form. Your BPAY® payment must be received by no later than 5.00pm (AEST) on Wednesday, 3 July 2019.

#### **7.4. Taking up Shortfall under Public Offer**

Members of the public in Australia who wish to apply for Shortfall Offer may do so by completing the Public Offer Application Form which accompanies this Prospectus by inserting the number of Shortfall Securities they wish to apply for and forwarding the completed Public Offer Application Form together with their cheque or bank draft, for the total amount payable to the following address by no later than 5:00pm (AEST) on Wednesday, 3 July 2019:

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

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

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

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

#### **7.6. Applications and Payment**

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

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

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

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

### **7.7. Enquiries**

If you have any queries about your Entitlement please contact the Share Registry between the hours of 8.30am and 5.00pm (AEST), Monday to Friday:

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

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

Alternatively, contact your stockbroker or other professional adviser.

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

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

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

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

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

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

## **SECTION 8 DIRECTORS AUTHORISATION**

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

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



**Mr Tim Handley**

Executive Chairman

## SECTION 9 GLOSSARY

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

TERM	DEFINITION
<b>Applicant(s)</b>	Person(s) who submit an Application
<b>Application</b>	A valid application made to subscribe for a specified number of New Shares (including Shortfall Securities where applicable) pursuant to this Prospectus
<b>Application Form</b>	The form which is attached to this Prospectus which is not personalised and which is to be used by persons other than Eligible Shareholders to apply for Shortfall Offer
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASTC</b>	ASX Settlement and Transfer Corporations Pty Ltd
<b>ASX</b>	Australian Securities Exchange Limited
<b>Board</b>	The board of Directors at LatAm Autos Limited
<b>Business Day</b>	A day that is not a Saturday, Sunday or public holiday or bank holiday in Melbourne.
<b>CHESS</b>	Clearing House Electronic Subregister System
<b>Closing Date</b>	The date the Entitlement Offer closes, being 5.00pm (AEST) on Wednesday, 3 July 2019, unless extended by the Company
<b>Company</b>	LatAm Autos Limited (ACN 169 063 414)
<b>Constitution</b>	The constitution of the Company
<b>Convertible Note</b>	A note issued by the Company convertible into Shares
<b>Corporate Adviser</b>	Grant Samuel Corporate Finance Pty Limited (ABN 84 076 176 657)
<b>Corporations Act</b>	<i>Corporations Act 2001 (Cth)</i>
<b>Despatch Date</b>	Monday, 24 June 2019
<b>Directors</b>	The directors of LatAm Autos Limited
<b>Eligible Shareholder</b>	A Shareholder entitled to participate in the Offer as described in Section 1.1.4
<b>Entitlement</b>	The entitlement of a Shareholder to participate in the Rights Issue
<b>Entitlement Offer</b>	The offer for the Entitlement made in accordance with this Prospectus
<b>Entitlement and Acceptance Form</b>	The form described as such accompanying this Prospectus (for Eligible Shareholders only)
<b>Ex-rights Date</b>	Wednesday, 19 June 2019
<b>International Shareholder</b>	A holder of Shares having a registered address outside Australia or New Zealand
<b>Issue</b>	The issue of New Shares and New Options in accordance with this Prospectus

<b>TERM</b>	<b>DEFINITION</b>
<b>Issuer Sponsored Statement</b>	Issued sponsored holding statement to be issued by CHESS
<b>Joint Lead Managers</b>	Foster Stockbroking Pty Limited and CCZ Statton Equities Pty Ltd
<b>Joint Lead Managers Mandate</b>	Mandate agreement pursuant to which the Company has appointed the Joint Lead Managers in relation to the Offers under this Prospectus and the Placement.
<b>Listing Rules</b>	The official listing rules of the ASX
<b>Lodgement Date</b>	The date on which this Prospectus was lodged with ASIC, being Friday, 14 June 2019
<b>New Options</b>	Options issued under this Prospectus, exercisable for Shares in the Company and having an exercise price of 10 cents (\$0.10) and expiry date of 13 August 2021
<b>New Shares</b>	Shares issued under this Prospectus
<b>Offer</b>	An Offer made in accordance with this Prospectus, further details of which are set out in Section 1 of this Prospectus
<b>Official List</b>	Has the meaning given to the term 'official list' in the Listing Rules
<b>Official Quotation</b>	Has the meaning given to the term 'quotation' in the Listing Rules
<b>Placement</b>	The placement of 58,170,682 Shares to certain institutional and sophisticated investors made by the Company to raise approximately \$3,199,000 as announced on 14 June 2019
<b>Placement Options Offer</b>	The offer of New Options to participants in the Placement on the basis of one (1) New Option for every two (2) Shares subscribed for under the Placement; the issue of which New Options shall be conditional on the Company obtaining Shareholder approval
<b>Placement Participant</b>	A person who subscribed for Shares under the Placement
<b>Prescribed Persons</b>	Prescribed Persons has the meaning given to it in Section 6.8
<b>Prospectus</b>	This Prospectus dated 14 June 2019
<b>Public Offer</b>	The offer of Shortfall Offer to members of the general public who are resident in Australia and who are not Eligible Shareholders
<b>Public Offer Application Form</b>	The form described as such accompanying this Prospectus (for members of the general public only)
<b>Rights Issue</b>	The non-renounceable rights issue of 1 New Share for every 4 Shares held at the Record Date at a price of 5.5 cents (\$0.055) per New Share and one (1) free attaching option (New Options) having an exercise price of 10 cents (\$0.10) and expiry date of 13 August 2021 for every two (2) New Shares purchased
<b>Record Date</b>	Thursday, 20 June 2019
<b>Section</b>	A section under this Prospectus.
<b>Shareholder</b>	A register holder of Shares appearing on the Company's share register
<b>Shares</b>	Ordinary fully paid shares in the capital of the Company
<b>Share Registry</b>	Boardroom Pty Limited

<b>TERM</b>	<b>DEFINITION</b>
<b>Shortfall</b>	The New Shares and New Options which are not applied for by an Eligible Shareholder as part of their Entitlement or applied for by the holder of the Rights.
<b>Shortfall Offer</b>	The offer of the New Shares and New Options forming the Shortfall to Eligible Shareholders, members of the public to be issued under and in accordance with this Prospectus
<b>Shortfall Securities</b>	The New Shares and New Options forming the Shortfall which are to be issued to applicants for pursuant to the Shortfall Offer.
<b>Statement of Financial Position</b>	The statement on the financial position of the Company.
<b>U.S. Person</b>	The meaning given in Regulation S under the US Securities Act
<b>U.S. Securities Act</b>	The United States Securities Act of 1933, as amended.

## CORPORATE DIRECTORY

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**Registered Office**

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

**Principal Legal Adviser**

GrilloHiggins Lawyers  
Level 4, 114 William Street  
Melbourne VIC 3000

**Website**

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

**Auditor**

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

**Directors**

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

**Share Registry**

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

Ph: 1300 737 760 (within Australia)

Ph: + 61 2 9290 9600 (outside Australia)

Email: [corporateactions@boardroomlimited.com.au](mailto:corporateactions@boardroomlimited.com.au)  
Website: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

**Company Secretaries**

Melanie Leydin  
Gareth Bannan

**ASX Code**

Shares: LAA

**Corporate Adviser**

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

**Joint Lead Managers**

Foster Stockbroking Pty Limited  
Level 25, 52 Martin Place  
Sydney NSW 2000  
CCZ Statton Equities Pty Ltd  
Level 24, 9 Castlereagh Street  
Sydney NSW 2000

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



**LATAMAUTOS**

ACN: 169 063 414

## ENTITLEMENT AND ACCEPTANCE FORM - ENTITLEMENT OFFER

**BoardRoom**

All correspondence to  
Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001

Tel: 1300 737 760 (within Aust)  
Tel: + 61 2 9290 9600 (outside Aust)  
Fax: + 61 2 9279 0664  
[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)  
[corporateactions@boardroomlimited.com.au](mailto:corporateactions@boardroomlimited.com.au)

**Entitlement No.**

**Subregister**

**SRN/HIN.**

**Number of Shares held at 7pm  
(AEST) on 20 June 2019**

**Offer Closes: 3 July 2019 at 5:00pm (AEST)**

NON-RENOUNCEABLE ISSUE AT AN ISSUE PRICE OF \$0.055 EACH ON THE BASIS OF 1 NEW SHARE FOR EVERY 4 ORDINARY SHARES HELD, TO RAISE UP TO APPROXIMATELY \$6,600,000.00 BEFORE COSTS, PAYABLE IN FULL UPON ACCEPTANCE OF THIS OFFER (ENTITLEMENT OFFER) WITH 1 FREE ATTACHING OPTION FOR EVERY 2 SHARES PURCHASED AT \$0.10 EXPIRING 13 AUGUST 2021.

### A Rights Acceptance

If you wish to accept your **FULL ENTITLEMENT**, please complete and return this form **WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW**. The return of this form by the Closing Date being by 5pm on 3 July 2019 with payment will constitute acceptance of the Entitlement Offer. Your signature is only required when an alteration to your address is indicated by you over the page.

<b>Entitlement to New Shares on the basis of One New Share for every Four Ordinary Shares held</b>	<b>Price Per Share</b>	<b>Amount Payable for Full Acceptance, at \$0.055 per New Share</b>
	<b>\$0.055 per Share =</b>	

If you wish to accept **PART OF YOUR ENTITLEMENT ONLY**, please complete this form showing in the box below the **NUMBER OF NEW SHARES BEING ACCEPTED** and the appropriate amount payable.

<b>Number of New Shares accepted</b>	<b>Price Per Share</b>	<b>Amount Enclosed</b>
	<b>\$0.055 per Share =</b>	<b>\$</b>

### B Apply for Shortfall Shares (if available)

If you wish to apply for additional shares to your Entitlement above, please insert the number of additional shares in the box below and the appropriate amount payable. These additional shares will only be allotted if available and will be at the sole discretion of the Underwriters.

<b>Number of Additional Shares Applied for</b>	<b>Price Per Share</b>	<b>Amount Enclosed</b>
	<b>\$0.055 per Share =</b>	<b>\$</b>

### C Payment

Payment may only be made by electronic BPAY, cheque or bank draft. Cash will not be accepted via the mail or at the LatAm Autos Limited Share Registry. Payments cannot be made at any bank.

#### Payment Option 1 – BPAY



**Biller Code:**  
**Ref:**

#### Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: [www.bpay.com.au](http://www.bpay.com.au)

® Registered to BPAY Ltd ABN 69 079 137 518

To pay via BPAY please contact your participating financial institution.

If paying by BPAY you do not need to return the Entitlement and Acceptance Form.

If paying by BPAY the amount of your payment received in the account divided by the issue price will be deemed to be the total number of shares you are applying for. Applicants should be aware that their own financial institutions may impose earlier cut off times regarding electronic payment, and should therefore take this into consideration when making payment.

#### Payment Option 2 – Cheque (Record cheque details below)

<b>DRAWER</b>	<b>CHEQUE NO.</b>	<b>BSB NO.</b>	<b>ACCOUNT NO.</b>	<b>AMOUNT \$AUD</b>
				<b>\$</b>

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to "LatAm Autos Limited" and crossed "Not Negotiable."
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

**THIS FORM CONTINUES OVERLEAF**

## D Contact Details

CONTACT NAME	TELEPHONE WORK	TELEPHONE HOME	EMAIL ADDRESS
	( )	( )	

By submitting this Entitlement and Acceptance Form or by payment by electronic funds, I/We represent and warrant that I/we have read and understood the Prospectus to which this Entitlement and Acceptance Form relates and declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of the Entitlement and Acceptance Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of LatAm Autos Limited and agree to the terms and conditions of the Entitlement Offer. I/We represent and warrant that I/we have not relied on any other information provided by the Company other as set out in the Prospectus when making my/our decision to invest.

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

## LODGEYMENT INSTRUCTIONS TO APPLICANTS

Please read these instructions carefully

### ACCEPTANCE OF YOUR ENTITLEMENT IN FULL OR PART

Multiply the number of New Shares for which you are accepting by \$0.055 then fill in the acceptance details, where necessary, in the space provided on the front of this form. Complete your cheque details on the front of this form and send your cheque/draft and completed form to:

Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001

Telephone No. 02 9290 9600  
Facsimile No. 02 9279 0664

If you do not deal with your Entitlement, it will lapse at 5pm on 3 July 2019.

### PAYMENT

#### Cheque or Draft

All cheques or drafts (expressed in Australian currency) are to be made payable to "LatAm Autos Limited" and crossed "Not Negotiable".

#### BPAY

If you make payment using BPAY you must contact your Australian bank, credit union or building society to make this payment from your cheque or savings account. For more information: [www.bpay.com.au](http://www.bpay.com.au). Refer to the front of this form for the Biller Code and Customer Reference Number. Payments must be received by BPAY before 5.00 pm on 3 July 2019.

### PAYMENT - OVERSEAS RESIDENTS

Overseas shareholders who are permitted to apply for shares must obtain a draft in Australian currency payable on a bank in Australia, or where the shareholder has an account with a bank in Australia, by a cheque drawn on that bank within Australia.

The Australian currency draft should be attached to your completed form and the document mailed to:

Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001

OVERSEAS SHAREHOLDERS ARE ADVISED TO ENSURE THEIR DOCUMENTS ARE POSTED TO AUSTRALIA BY AIRMAIL.

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

### INTERPRETATION

Terms used in this Entitlement and Acceptance Form have the same meaning as defined in the Offer Document.

### CHANGES OF ADDRESS SUPPORTED BY YOUR SIGNATURE(S)

If your address is not exactly as shown, please provide details below. This is only relevant for Issuer Sponsored registered holdings. CHESS holders must notify your sponsoring broker for amendments to holdings on the CHESS Subregister.

CHANGE OF ADDRESS DETAILS – ISSUER SPONSORED ONLY		
SIGN HERE FOR ADDRESS AMENDMENTS:		

Shareholder 1 (Individual) /  
Sole Director & Sole Company  
Secretary

Joint Shareholder 2 (Individual) /  
Director

Joint Shareholder 3 (Individual) /  
Director/Company Secretary  
(Delete one)

### Privacy Statement:

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

Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/privacy.html>).

## Shortfall Application Form

Fill out this Application form if you want to apply for Shares in LatAm Autos Limited with 1 free attaching option for every 2 shares purchased at \$0.10 expiring 13 August 2021.

- Please read the Product Disclosure Statement (PDS) dated 14 June 2019.
- Follow the instructions to complete this Application form (see reverse).
- Print clearly in capital letters using black or blue pen.

<b>A</b> Number of Shares you are applying for  <input type="text"/>	<b>B</b> Total amount payable  <input type="text"/>
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### **B** Write the name(s) you wish to register the Shares in (see reverse for instructions)

Applicant 1

Name of Applicant 2 or < Account Name>

Name of Applicant 3 or < Account Name>

### **C** Write your postal address here

Number / Street

  


Suburb/Town

State

Postcode

 

### **E** CHESS participant – Holder Identification Number (HIN)

*Important please note if the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any Notes issued as a result of your application will be held on the Issuer Sponsored subregister.*

### **F** Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

Applicant #2

Applicant #3

### **G** Cheque payment details

Please enter details of the cheque(s) that accompany this application.

Name of drawer of cheque

Cheque No.

BSB No.

Account No.

Cheque Amount A\$

    
    

### **H** Contact telephone number (daytime/work/mobile)

 

### **I** Email address

By submitting this Application form, I/We declare that this Application is completed and lodged according to the PDS and the instructions on the reverse of the Application form and declare that all details and statements made by me/us are compete and accurate. I/We agree to be bound by the constitution of LatAm Autos Limited. I/We was/were given access to the PDS together with the application form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Trust.

## GUIDE TO THE APPLICATION FORM

### YOU SHOULD READ THE PDS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS.

These instructions are cross-referenced to each section of the Application Form.

#### Instructions

- A. If applying for Shares insert the **number** of Shares for which you wish to subscribe at Item A (not less than \$1000.00 worth of Shares).
- C. Write your **full name**. Initials are not acceptable for first names.
- D. Enter your **postal address** for all correspondence. All communications to you from Gryphon Capital Income Trust will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.  
**NB: your registration details provided must match your CHESS account exactly.**
- F. Enter your Australian **tax file number** ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- G. Complete **cheque details** as requested. Contact your Broker who will advise you who to make the cheque payable to. Cheques must be made in Australian currency and must be drawn on an Australian Bank.
- H. Enter your **contact details** so we may contact you regarding your Application Form or Application Monies.
- I. Enter your **email address** so we may contact you regarding your Application Form or Application Monies or other correspondence.

#### CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to LatAm Autos Limited. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	Mr John Smith & Mrs Mary Smith <Smith Family Super Fund A/C>	John & Mary Smith Superannuation Fund

#### Lodgement and Payment

Your completed Application Form together with your cheque or bank draft, for the total amount payable should be mailed to the following address by no later than 5:00pm (AEST) on Wednesday 3 July 2019:

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

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

#### Privacy Statement

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the Shares you hold) to be included in the public register of the entity in which you hold Shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your holding. Your personal information may be disclosed to the entity in which you hold Shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form. Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/privacy.html>).