iCar Asia Limited and Controlled Entities

ACN 157 710 846

Annual Report for the financial year ended

31 December 2020

Annual Report Year Ended 31 December 2020

ICAR ASIA LIMITED (ICQ) / ACN 157 710 846

The Directors present their report, together with the consolidated financial statements, of iCar Asia Limited and Controlled Entities (referred to hereafter as the 'Group') for the year ended 31 December 2020.

Directors
The following persons were Directors of the Group during the whole of the financial year and up to the date of this report, unless otherwise stated:

Georg Chmiel (Executive Chairman)
Patrick Grove (Non-executive Director)
Lucas Elliott (Non-executive Director)
Syed Khalil Ibrahim (Independent, non-executive Director)
Peter Everingham (Independent, non-executive Director)
Richard Kuo (Independent, non-executive Director)
Hamish Stone (Managing Director and Chief Executive Officer)

Information on directors

Name:	Georg Chmiel
Title:	Executive Chairman
Qualifications:	Diplom-Informatiker, MBA (INSEAD), CPA (USA), FAICD
Experience and expertise:	Mr Chmiel brings over 27 years of experience in the financial services industry, online media and real estate industry. Mr Chmiel was most recently Managing Director and CEO of iProperty Group, the owner of Asia's No. 1 network of property portal sites and related real estate services. He played a key role in finalising the sale of iProperty Group to REA Group, Southeast Asia's largest ever internet buyout. Prior to iProperty Group, Mr Chmiel was Managing Director and CEO of LJ Hooker Group with 700 offices across nine countries providing residential and commercial real estate as well as financial services.
Other current directorships:	Centrepoint Alliance (appointed 7 October 2016), PropTechGroup Limited (appointed 1 June 2020)
Former directorships (in the last 3 years):	Mitula Group Limited
Special responsibilities:	None
Interests in shares:	1,834,438
Interests in options:	1,000,000

Name:	Hamish Stone
Title:	Managing Director and Chief Executive Officer
Qualifications:	Bachelor of Commerce (Honours) majoring in Economics and Marketing from The University of Sydney
Experience and expertise:	Mr Stone joined iCar Asia as Chief Executive Officer in June 2016, and joined the iCar Asia Board in February 2020 as Managing Director. In his role as Managing Director / Chief Executive Officer, Mr Stone provides the business vision, strategy and leadership to iCar Asia across Malaysia, Thailand and Indonesia. Mr Stone is an expert in digital marketplaces having worked at eBay for 10 years across 3 key markets and brands. He led the automotive verticals for the eBay classified businesses of Gumtree.com in the U.K., and Marktplaats.nl in The Netherlands and was the Head of Marketing for eBay Australia and New Zealand based in eBay's Sydney office. Prior to that Mr Stone worked for Charles River Associates, a leading global consulting firm.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	None
Interests in shares:	7,088,295
Interests in options:	None

Name:	Patrick Grove
Title:	Non-executive Director
Qualifications:	Bachelor of Commerce degree with a major in Accounting and Finance from the University of Sydney.
Experience and expertise:	Board member since June 2012. Mr Grove is a co-founder of the Group. Mr Grove's experience and expertise includes mergers and acquisitions and the extraction of investment value in high growth, media and technology environments. Mr Grove has built a number of significant media and internet businesses across Asia and has taken five businesses from start-up to initial public offering. He has been recognised with numerous international awards, including Global Leader of Tomorrow by the World Economic Forum (2001), New Asian Leader by the World Economic Forum (2003), Entrepreneur of the Year by the Australian Chamber of Commerce (2004), Business Week Asia's Top Entrepreneur under 40 (2008), one of Asia's Best Young Entrepreneurs by Bloomberg Businessweek (2008), and Top 50 Global Achiever (2013) by Australia Unlimited. Mr Grove holds a Bachelor of Commerce degree with majors in Accounting and Finance from the University of Sydney. Mr Grove is the Chief Executive Officer, Chairman and major shareholder of Catcha Group, one of South East Asia's most dynamic investment groups. Mr Grove is also a Director of Rev Asia Berhad, a Malaysia-listed company.
Other current directorships:	Rev Asia Berhad (appointed 6 October 2010)
Former directorships (in the last 3 years):	None
Special responsibilities:	None
Interests in shares:	123,988,949
Interests in options:	7,555,553

Name:	Lucas Elliott
Title:	Non-executive Director
Qualifications:	Bachelor of Commerce degree with a major in Finance from the University of Sydney.
Experience and expertise:	Board member since April 2012. Mr Elliott is a co-founder of the Group. He has over 21 years of Asian online experience, with a focus on developing fast moving online business models and monetising online assets. Mr Elliott is also a co-founder of Catcha Group, where he is responsible for all aspects of Catcha Group's corporate finance activities, including mergers and acquisitions, capital raisings and public listings. Mr Elliott has a Bachelor of Commerce degree with a major in Finance from the University of Sydney. Mr Elliott is a Director of Rev Asia Berhad, a Malaysia-listed company.
Other current directorships:	Rev Asia Berhad (appointed 1 April 2013)
Former directorships (in the last 3 years):	None
Special responsibilities:	Member of the Nomination & Remuneration Committee and member of the Audit & Risk Committee
Interests in shares:	123,988,949
Interests in options:	7,555,553

Name:	Syed Khalil Ibrahim
Title:	Independent, non-executive Director
Qualifications:	Bachelor of Commerce Majoring in Finance and Bachelor of Engineering Majoring in Mechanical Engineering (First Class Honours)
Experience and expertise:	Khalil has extensive experience in the Automotive industry and is currently the Managing Director and controlling shareholder of SISMA Auto (a dealer group representing Jaguar Land Rover and Volvo in Malaysia). He also is also a Director of Jaguar Land Rover (Malaysia), the sole importer and distributor for Jaguar Land Rover in Malaysia. Prior to that, Khalil worked with CI Holdings Berhad and Boston Consulting Group at their Sydney and New York offices.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	Chairman of the Nomination & Remuneration Committee and member of the Audit & Risk Committee
Interests in shares:	2,617,065
Interests in options:	None

Name:	Peter Everingham
Title:	Independent, non-executive Director
Qualifications:	MBA from IESE, a Bachelor of Economics from The University of Sydney and is a GAICD
Experience and expertise:	Peter is an experienced executive and non-executive Director of digital and technology businesses having worked in the sector for over 21 years. Up until December 2016, Peter was Managing Director of SEEK Limited's International Division which includes their online businesses in China, Hong Kong and South East Asia. He led the merger of JobStreet and JobsDB in Asia, based out of the Kuala Lumpur Office, and was Chairman of SEEK's China business called Zhaopin. Prior to SEEK, Peter was Director of Strategy for Yahoo! in Australia and South East Asia which included investing in Australia's leading online car classifieds business, carsales.com.au.
Other current directorships:	Super Retail Group Limited (appointed 19 December 2017), ME Bank Limited WWF-Australia (World Wide Fund for Nature, Australia)
Former directorships (in the last 3 years):	None
Special responsibilities:	Member of the Nomination & Remuneration Committee
Interests in shares:	330,676
Interests in options:	None

Name:	Richard Kuo
Title:	Independent, non-executive Director
Qualifications:	B.com., LL.B, FAICD
Experience and expertise:	Richard is the co-founder and CEO of Pier Capital, a boutique investment banking firm. He is a director of SCEGGS Darlinghurst Limited, the Chairman of Intrepica Pty Ltd, the owner of LiteracyPlanet, and has been a director of a range of companies in Australia and Asia in the technology, digital media and pharmaceutical sectors. Richard has practiced as a lawyer, an investment banker and as a member of the leadership team of what grew to be Australia's largest software company. He has qualifications in law, accounting, finance and investment and is a Fellow of the AICD.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	Chairman of the Audit and Risk Committee
Interests in shares:	396,133
Interests in options:	None

Company Secretary

Hasaka Martin was appointed as iCar Asia Limited Company Secretary on 8 January 2019. Mr Martin is Company Secretary for a number of ASX listed and unlisted entities. He is a Chartered Secretary with over ten years' experience, he holds a Graduate Diploma in Applied Corporate Governance and is a Fellow of both the Governance Institute of Australia and the Institute of Chartered Secretaries and Administrators.

Dividends

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

Principal activities

The principal activities of the Group during the financial year were the development and operation of internet based automotive portals in South East Asia. There was no significant change in the nature of activities during the financial year.

Non-IFRS measures

The Group uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are collectively referred to as "non-IFRS financial measures". Non-IFRS measures are intended to supplement the measures calculated in accordance with Australian Accounting Standards and are not a substitute for those measures. Non-IFRS financial measures and pro forma results and measures are intended to provide shareholders additional information to enhance their understanding of the performance of the consolidated entity.

Non-IFRS financial measures that are referred to in this report are as follows:

Non-IFRS financial measure	Definition
EBITDA	Earnings before interest, tax, depreciation and amortisation expenses. Eliminates non-cash charges for depreciation and amortisation.
Pro forma financial results	Excludes employee equity incentive expenses for the current reporting period. Refer to details on page 7.

Financial Performance

Commendable performance amidst challenging operating environment due to COVID-19.

In the year ended 31 December 2020 the Group generated $14,055,747 in revenue (2019: $14,841,298), a reduction of 5% over the previous corresponding period (pcp).

During the year, all operating countries was subject to varying degree of lockdown measures imposed by respective Governments to contain the COVID-19 situation in these countries. These lockdown measures directly caused disruption to the automotive industry including dealers' activities and indirectly affected consumer's sentiment. Faced with these challenges, the Group took various steps support its core businesses and also introduced product innovations (such as online booking of cars, virtual automotive events, etc) and intensifying interaction with customers (both dealers and car makers) to minimize these negative impacts. As a result of this, the Group has managed to limit the impact on revenue to a 5% drop over the pcp.

Financial Performance (continued)

The Group has also undertaken certain cost containment measures to mitigate the impact of COVID-19. These measures included a reorganisation exercise leading to a reduction in headcount, voluntary pay reductions across the Company, hiring freeze and tactical reductions in marketing spend in view of the lockdown measures. As a result of these initiatives, operating expenses (excluding cost of goods sold) decreased by 9% in 2020 to $19,233,537 (2019: $21,028,080) despite the inclusion of Carmudi's full year cost base. With these significant cost reductions outweighing the marginal drop in revenue, pro forma EBITDA losses reduced by 13% year on year to $4,820,083 (2019: $5,511,255). See below for a description of pro forma EBITDA.

The Group's cashflow improved in line with EBITDA improvement. Receipts from customers during the year reduced by 12% to $14,098,589 (2019: $16,074,874) in line with the drop in revenue and a decrease in prepaid purchases of depth credits. Nevertheless net cash used in operating activities reduced by 13% to $5,506,194 (2019: $6,363,214). This was achieved through overall reduction in operating expenses coupled with renegotiation with key suppliers on extended payment terms that deferred the cash outflow to FY2021.

As at 31 December 2020 the Group had $2,165,797 in cash, cash equivalents and investments. At the date of this report, the Group has access to additional funds of up to an undrawn $12,000,000 from a debt facility as disclosed in Note 23 to the financial statements.

iCar Asia showed resilience in all 3 countries despite COVID-19 challenges

Malaysia:

The Malaysia business reported a full year of EBITDA and cashflow positivity for the second successive year despite the challenges posed by COVID-19. Full year revenue decreased by 12% versus pcp due to lockdown measures, with the physical event business being the most affected. With cost containment measures in place, full year EBITDA marginally increased to $1,586,578 (2019: $1,554,725) despite the drop in revenue.

The Used Car - Classified and New Car - Media activities continued to be the main contributors, complemented by the newer revenue streams in Used Car - Auction. During the year, the Malaysia Business also introduced virtual events to replace physical on-ground events.

Despite the challenges of COVID-19, paid accounts increased by 8% versus pcp, recovering from a drop in the middle of the year during the lockdown period whilst the number of listings remained the same as last year. During the year the business focused on improving unpaid audience whilst scaling back on variable marketing costs. As a result, unpaid traffic and leads improved to contribute over 90% of traffic, leading to the total number of leads being behind pcp by only 7%.

Thailand

The Thailand business reported a full year of EBITDA and cashflow positivity for the second successive year despite the challenges posed by COVID-19. Full year revenue decreased by 12% versus pcp due to lockdown measures. With cost containment measures in place and outweighing the drop in revenue, full year EBITDA profit increased by 85% to $334,138 (2019: $180,404).

The Used Car - Classified and New Car - Media segments continued to be the main contributors for the Thailand business.

Thailand paid accounts and listings dropped by 14% and 20% respectively versus pcp. As in Malaysia, during 2020 the business focused on improving unpaid audience whilst scaling back on variable marketing costs, and unpaid traffic and leads improved to contribute over 90% of traffic. Despite this, overall audience dropped by 29% in line with reduced marketing spend that resulted in 30% reduction in leads. The Group expects these operating metrics to improve gradually in 2021 with an expected recovery in the COVID-19 situation and increased investment in marketing.

Indonesia

The Indonesian business achieved 30% revenue growth which included the contribution of a full year of results of PT Car Classified Indonesia (referred to hereafter as "PTCCI" or "Carmudi") that was acquired in November 2019. On a like for like basis (excluding Carmudi), revenue would have dropped by 16% due to the impact of COVID-19. Full year EBITDA losses marginally widened by 36% from $1,387,664 a year ago to $1,883,085. However EBITDA losses (excluding Carmudi) reduced by 28% pcp from $1,268,447 to $912,253.

For the combined Indonesia business car listings increased by 19% pcp, however accounts decreased by 6%. Unpaid traffic also increased in Indonesia to contribute over 90% of audience and leads. Overall audience increased pcp by 31%, however leads declined 29% due to the reduced marketing spend.

For the Carsentro operation, the business was impacted by lockdown measures that limits the number of visitors to these locations during the year especially during quarter 2 and quarter 3 of the financial year. The business has gradually improved since Q4 of the financial year in line with the recovery in the country's automotive industry.

Pro forma financial results

Pro forma financial results have been calculated to exclude employee equity incentive expenses for the current reporting period. Equity incentive expenses have been excluded to more clearly represent the consolidated entity's underlying earnings given this is a non-cash item whose primary economic impact is issued capital dilution if and when shares are issued.

The following table reconciles the statutory result to pro forma financial results for the year ended 31 December 2020 (noting that this financial information has not been audited in accordance with Australian Auditing Standards):

Year ended 31 December 2020 $'000	**Sales**	**EBITDA**	**NPAT**
Statutory results	**14,056**	**(6,406)**	**(10,669)**
Employee equity incentive expense[1]	-	**1,616**	**1,616**
Tax impact from underlying adjustments	-	-	-
Pro forma results	**14,056**	**(4,790)**	**(9,053)**

[1] The adjustment removes the portion of directors' remuneration paid in shares, long-term incentive plan (LTI), option plan and long-term value creation plan (LTVC) expense incurred during FY2020.

The following table reconciles the statutory result to pro forma financial results for the year ended 31 December 2019 (noting that this financial information has not been audited in accordance with Australian Auditing Standards):

Year ended 31 December 2019 $'000	**Sales**	**EBITDA**	**NPAT**
Statutory results	**14,841**	**(6,737)**	**(10,787)**
Employee equity incentive expense[1]	-	**1,226**	**1,226**
Tax impact from underlying adjustments	-	-	-
Pro forma results	**14,841**	**(5,511)**	**(9,561)**

[1] The adjustment removes the portion of directors' remuneration paid in shares, long-term incentive plan (LTI), option plan and long-term value creation plan (LTVC) expense incurred during FY2019.

Matters subsequent to the reporting date

On 16 February 2021 and 25 February 2021 the Group entered into amendment deeds with Catcha Group Pte Ltd to increase the limit of the Group's debt facilities by $10 million to $15 million and to extend the maturity of the facility from June 2021 to June 2023 and to amend certain financial covenants. This new facility allows the Group to begin drawing down funds from 1 April 2021 should the funds be required. Prior to this date a survey of other debt facility providers in the market will be carried out. Should a more cost-effective facility or more favourable financing be found, this will be put in place by the Company with no penalties for the termination of this facility.

Significant changes in the state of affairs

There have not been any significant changes in the state of affairs of the Group during the financial year.

Likely developments and expected results of operations

The uncertainty and disruption caused by COVID-19 has been unprecedented. The Group has undertaken various initiatives in FY 2020 to manage the businesses during this period of uncertainty and it is expected that the impact of COVID-19 will still be in place for at least some parts of FY 2021. The Group will remain vigilant in light of these uncertainties and will focus on getting the businesses back on growth path in FY 2021.

2021: Driving the recovery and returning to growth

The Group expects the steady recovery across all three countries that began in Q4 2020 to continue in 2021 with the impact of COVID-19 improving in the first half of the year. With this the Group will be focusing on getting the business back to growth in FY 2021. The Group also remains optimistic about the long term prospect of the automotive industry despite these short term disruptions to the business.

Indemnity and insurance of officers

The Group has indemnified all current and previous Directors of the Group, the Company Secretary and certain members of senior management against all liabilities or loss (other than to the Group or a related body corporate) that may arise from their position as officers of the Group, except where the liabilities arise out of conduct involving a lack of good faith or where indemnification is otherwise not permitted under the *Corporations Act 2001*. The indemnity stipulates that the Group will meet the full amount of any such liabilities, including costs and expenses, and covers a period of seven years after ceasing to be an officer of the Group.

The Group has executed deeds of indemnity with each of the Directors.

During or since the financial year, the Group has paid premiums in respect of a contract insuring all the directors of iCar Asia Limited against legal costs incurred in defending proceedings for conduct other than:

(a) A wilful breach of duty
(b) A contravention of sections 182 or 183 of the *Corporations Act 2001*, as permitted by section 199B of the *Corporations Act 2001*

The Group's insurer prohibits the disclosure of premiums paid.

Indemnity of auditors

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Meetings of Directors

The number of meetings of the company's Board of Directors ('the Board') and of each board committee held during the year ended 31 December 2020, and the number of meetings attended by each Director were:

	Full Board		Audit & Risk Committee		Remuneration & Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held
Georg Chmiel	19	19	-	-	-	-
Patrick Grove	17	19	-	-	-	-
Lucas Elliott	19	19	3	3	2	2
Syed Khalil Ibrahim	19	19	3	3	2	2
Peter Everingham	18	19	-	-	2	2
Richard Kuo	18	19	3	3	-	-
Hamish Stone	17	19	-	-	-	-

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

Auditor independence and non-audit services

The following non-audit services were provided by the entity's auditor, Ernst & Young Australia. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst and Young received or are due to receive the following amounts for the provision of non-audit services:

	$
Tax compliance services	8,805

Officers of the company who are former audit partners of Ernst & Young

There are no officers of the company who are former audit partners of Ernst & Young.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 28.

Auditor

Ernst & Young continues in office in accordance with section 327 of the *Corporations Act 2001*.

Share options

Unissued shares

As at the reporting date and up to the date of this report, there were 8,555,553 unissued ordinary shares under options outstanding for Key Management Personnel (KMP). KMP are also entitled to future share issues under the Long Term and Long Term Value Creation incentive schemes. Refer to the Remuneration Report Section D for further details.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of the exercise of options

During the financial year, employees and executives have exercised options to acquire 3,777,777 fully paid ordinary shares in iCar Asia Limited at a weighted average exercise price of $0.20 per share. No options have been exercised since 31 December 2020 up to the date of this report.

Remuneration Report (audited)

The remuneration report, which has been audited in accordance with section 300A of the *Corporations Act 2001*, outlines the key management personnel remuneration arrangements for the Group.

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

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Share-based compensation
E Additional information

A Principles used to determine the nature and amount of remuneration

Nomination & Remuneration Committee

The membership, responsibilities, authority and activities of the Nomination & Remuneration Committee are set out in the Nomination & Remuneration Committee Charter, which has been approved by the Board.

The responsibilities of the Nomination & Remuneration Committee are to:

- Monitor, review and recommend to the Board, as necessary and appropriate:
  - the remuneration, superannuation and incentive policies and arrangements for the Chief Executive Officer and key management personnel (i.e. those executives who report directly to the Chief Executive Officer);
  - the remuneration arrangements for executive and non-executive Directors on the Board;
  - the recruitment, retention and termination policies and procedures for the Chief Executive Officer and key management personnel; and
  - key appointments and executive succession planning.

- Oversee the Group's general remuneration strategy;

- Review the composition of the Board including:
  - the criteria for selection of directors, having regard to the need for the breadth and depth of skills and experience on the Board; and
  - the process for selecting new Directors.

Remuneration Report (audited) (continued)

- Monitor the Group culture and reputation and review behavioural standards on a regular basis, and report and submit recommendations to the Board.

The Chief Executive Officer and the Chief Financial Officer attend meetings by invitation to assist the Committee in its deliberations except on matters associated with their own remuneration.

Key management personnel

Key management personnel ('KMP') comprises the directors and executives of the Group. For the purposes of the Remuneration Report, the term 'Executive' is defined to mean the Chief Executive Officer ('CEO'), the Chief Financial Officer ('CFO'), Chief Information Officer ('CIO') and Chief Marketing Officer ('CMO'). The CFO, CIO and CMO report directly to the CEO, who then reports to the Board. The Executives are responsible for the implementation of the Group's vision, values, corporate strategies and risk management systems, as well as the day-to-day management of the business.

Advisers

External specialist remuneration advice is sought on an as-needs basis in respect of remuneration arrangements for non-executive Directors of the Board and key management personnel of the Group. General reward advice is sought on an ad hoc basis. No external advisors were used during the current or prior years.

Reward policy

The Group has an established policy for determining the nature and amount of emoluments of Board members and key management personnel of the Group to align remuneration with the creation of shareholder value. The remuneration structure for the key management personnel seeks to emphasise payment for results.

Reward philosophy

The Company's overall philosophy is to manage remuneration to:

- Create an environment that will attract top talent, and where people can be motivated with energy and passion to deliver superior performance;
- Recognise capabilities and promote opportunities for career and professional development;
- Provide rewards, benefits and conditions that are competitive within the markets in which the Group operates; and
- Provide fair and consistent rewards across the Group, which support corporate principles.

In accordance with the ASX Corporate Governance Principles and Recommendations ('ASXCGPR'), the structure of non-executive Directors and key management personnel remuneration is separate and distinct.

The Group has a policy of ensuring that part of the remuneration of key management personnel is directly linked to the performance of the Group. Key management personnel are therefore compensated with fixed remuneration and 'at risk' remuneration based on the key performance measures of the Group.

Remuneration Report (audited) (continued)

Executive Chairman and non-executive directors remuneration

The fees paid to Directors on the Board take into consideration the level of fees paid to Board members of other Australian corporations, the size and complexity of the Group's operations, the activities of the Group and the responsibilities and workload requirements of Board members.

Fees are established from time to time for the Directors. The appointment letters for the Directors set out the terms and conditions of their appointments. These terms and conditions are in conjunction with, and subject to, the Company's Constitution and the charters and policies approved by the Board from time to time. Each Director receives a fee for being a Director of the Company. These fees are paid either by the issue of iCar Asia Limited shares or in cash. The number of shares is determined by the volume weighted average price ('VWAP') over the financial year of the director services provided.

There were no share options granted to Non-Executive Directors during or since the end of the financial year outside of options acquired via participation in the non-renounceable entitlement offer in 2017. For details of share options granted to the Executive Chairman, see Section B Details of remuneration.

Maximum aggregate non-executive directors fee pool

The maximum aggregate amount that may be paid to NEDs for their services is $500,000 during any financial year, as approved by shareholders at the 2014 AGM held on 28 May 2014. Any remuneration by the issue of shares to non-executive director which has been approved under listing rules does not count towards the maximum fee pool.

The table below summarises the prevailing Board and Committee fees payable to Directors at the close of year 2020:

Position		$
Board fees		
Chair		120,000
Non-executive directors		60,000
Committee fees		
Audit & Risk	: Chair	10,000
	: Member	N/A
Nomination & Remuneration	: Chair	10,000
	: Member	N/A

The Executive Chairman is paid an additional $150,000 in cash per annum for his executive role ("executive pay"). During the year, the Group implemented a pay reduction for all employees in Q2 where the executive pay was reduced by 40% for Q2. For Q3 and Q4, 40% of the executive pay was paid in iCar's shares (allotment will be done after approval of shareholders in the forthcoming Annual General Meeting). In total, the executive pay for the Executive Chairman in 2020 is $105,000 in cash and $30,000 in shares.

Remuneration Report (audited) (continued)

Executive remuneration

The Company aims to reward key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Group and:

- Reward key management personnel for achievement of pre-determined targets;
- Link reward with the strategic goals and performance of the Group; and
- Ensure total remuneration is competitive by market standards.

The remuneration for key management personnel and staff will include an annual review using a formal performance appraisal process. The Nomination & Remuneration Committee recommends to the Board the level of remuneration each year based on the performance of individuals.

The remuneration structure is in two parts:

- Fixed remuneration; and
- Variable remuneration

Fixed remuneration
The level of fixed remuneration is set so as to provide a base level of remuneration that is both appropriate to the position and is competitive in the market. Fixed remuneration comprises of salary and other benefits such as housing allowances and school fees. Individuals may choose to sacrifice part of their salary to increase payments towards other benefits.

Variable Remuneration
Remuneration is linked to performance to retain high calibre executives by motivating them to achieve performance goals which are aligned to Group interests. The components of variable remuneration are outlined below and are directly linked to the performance of both the Executive and the Group.

Long-term incentive plan (LTI)

The Group has established a long-term incentive plan (referred to hereafter as the 'LTI Plan'). The LTI Plan is part of the Group's remuneration strategy and is designed to align the interests of management and shareholders and assist the Group in the attraction, motivation and retention of executives. In particular, the Plan is designed to provide relevant executives with an incentive for future performance and encouraging those executives to remain with the Group. LTI payments are made to participating key employees depending on the extent to which specific targets set at the beginning of the plan are met. The targets relate to the earnings of the company, achievement of other KPIs aligned to the individual's specific business function and staff remaining in employment for three years (including the year to which the LTI relates). The details of LTI terms and targets can be found under Section C Service agreements in Remuneration Report.

Options plan

With the same objective of the LTI Plan, certain key employees were previously awarded iCar Asia Limited share options. These options were replaced by rights issued under the Long Term Value Creation scheme ("LTI scheme") that commenced in 2019 as detailed below. The details can be found in Section C Service agreements in the Remuneration Report.

Remuneration Report (audited) (continued)

Additional incentives

With the same objective of the LTI Plan, certain key employees were offered the opportunity to be granted additional incentives in the form of iCar Asia Limited shares contingent upon successful achievement of specified key financial and operational metrics. The details can be found in Section C Service agreements.

Additional incentives previously granted to key management personnel were replaced by rights issued under the LTI scheme as detailed below.

Long Term Value Creation (LTVC)

The Group has established the long term value creation scheme (referred to hereafter as 'LTVC'). The purpose of the LTVC scheme is to reward the value creation developed by the executives in driving growth in the business. The existing LTVC scheme is based on exceeding a specified share price hurdle of $0.30 in any of the three observation periods (2018, 2019 and 2020). During the current year, new entrants were granted admission to the LTVC scheme, in which the share price hurdle is $0.495 for the 2020 observation period. The entitlement will be paid in shares in iCar Asia Limited and the number of entitlements will be based on the Volume Weighted Average Price of the Group's share price exceeding the baseline share price of $0.18 in the December of the relevant observation period ($0.375 for new entrants). Each executive will receive a share of the value created, which is calculated as the excess of the share price hurdle to the baseline share price multiplied by the number of shares on issue at the end of the relevant observation period. During the period, certain Key Management Personnel were granted an increase in their existing share of the value created, representing a modification of their existing awards.

The entitlements also contain vesting conditions based on a required service period for each observation period end and vest 60% in the January following the observation period and 40% in the January twelve months thereafter.

The key inputs and assumptions, grant date fair value and current year amortisation expense of the LTVC award are contained in Section D Share-based compensation.

Voting and comments made at the company's 2019 Annual General Meeting ('AGM')

The company received in excess of 79.77% of 'for' votes in relation to its remuneration report for the year ended 31 December 2019. The company did not receive any specific comments at the AGM in regard to its remuneration practices and report.

B Details of remuneration

The table below outlines the key management personnel of the Group and their movements during full year 2020:

Name	Position	Term as KMP
Executive Director		
Georg Chmiel	Executive Chairman	Full financial year
Hamish Stone[1]	Managing Director and Chief Executive Officer	Appointed 20 February 2020
Non-executive Directors		
Patrick Grove	Non-executive Director	Full financial year
Lucas Elliott	Non-executive Director	Full financial year
Syed Khalil Ibrahim	Independent Non-executive Director	Full financial year
Peter Everingham	Independent Non-executive Director	Full financial year
Richard Kuo	Independent Non-executive Director	Full financial year
Senior Executives		
Hamish Stone	Chief Executive Officer	Full financial year
Yee Chin Beng	Chief Financial Officer	Full financial year
Kjetil Hellebo Rohde Jakobsen	Chief Information Officer	Full financial year
Jonathan Adams	Chief Marketing Officer	Full financial year

[1] Hamish Stone held the position as Chief Executive Officer before his appointment to the board as Managing Director.

Remuneration Report (audited) (continued)

Details of the remuneration of the key management personnel for the Group are set out in the following tables.

		Short-term benefits		Share-based payments					
		Salary & fees[6,7] $	Other[5] $	Remuneration[1,7] $	LTI shares $	Options $	LTVC $	Total Remuneration $	Performance related %
G Chmiel[2]	**2020**	**105,000**	**-**	**150,000**	**-**	**-**	**-**	**255,000**	**-**
Executive Chairman	2019	127,500	-	130,000	-	46,665	-	304,165	-
P Grove[3]	**2020**	**21,000**	**-**	**36,000**	**-**	**-**	**-**	**57,000**	**-**
Non-executive Director	2019	30,000	-	30,000	-	-	-	60,000	-
L Elliott[3]	**2020**	**21,000**	**-**	**36,000**	**-**	**-**	**-**	**57,000**	**-**
Non-executive Director	2019	30,000	-	30,000	-	-	-	60,000	-
S Khalil Ibrahim	**2020**	**28,000**	**-**	**38,000**	**-**	**-**	**-**	**66,000**	**-**
Non-executive Director	2019	40,000	-	30,000	-	-	-	70,000	-
P Everingham	**2020**	**21,000**	**-**	**36,000**	**-**	**-**	**-**	**57,000**	**-**
Non-executive Director	2019	30,000	-	30,000	-	-	-	60,000	-
R Kuo	**2020**	**24,500**	**-**	**42,000**	**-**	**-**	**-**	**66,500**	**-**
Non-executive Director	2019	35,000	-	35,000	-	-	-	70,000	-
Total Directors	**2020**	**220,500**	**-**	**338,000**	**-**	**-**	**-**	**558,500**	
	2019	292,500	-	285,000	-	46,665	-	624,165	

[1] Shares to be issued to directors in lieu of fees are to be ratified at the upcoming annual general meeting
[2] The Executive Chairman's Options do not contain any performance conditions therefore are not classified as performance related. Remuneration includes Board fees of $120,000 and executive pay of $30,000 in shares.
[3] Shares allocated to the Director will be issued to Catcha Group Pte Ltd

		Short-term benefits		Share-based payments					
		Salary & fees[6,7]	Other[5]	Remuneration[1,7]	LTI shares	Options	LTVC	Total Remuneration	Performance related
		$	$	$	$	$	$	$	%
H Stone	**2020**	**245,000**	**69,691**	**220,000**	**595,232**	**-**	**184,791**	**1,314,714**	**59%**
Chief Executive Officer	2019	353,026	66,507	100,000	363,983	-	313,265	1,196,781	57%
Yee Chin Beng	**2020**	**163,713**	**-**	**39,433**	**175,113**	**-**	**55,562**	**433,820**	**53%**
Chief Financial Officer	2019	199,573	-	-	64,000	-	10,432	274,005	27%
P Sttau[4]	**2020**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0%**
Chief Information Officer	2019	179,903	37,361	-	-	-	-	217,264	0%
K Jakobsen	**2020**	**173,313**	**132,266**	**41,125**	**41,819**	**-**	**86,721**	**475,244**	**27%**
Chief Information Officer	2019	66,004	14,475	-	-	-	-	80,479	0%
J Adams	**2020**	**132,750**	**60,447**	**31,500**	**76,316**	**-**	**27,592**	**328,605**	**32%**
Chief Marketing Officer	2019	179,413	58,569	-	50,408	-	62,653	351,043	32%
Total Executive	**2020**	**714,775**	**262,404**	**332,058**	**888,480**	**-**	**354,666**	**2,552,383**	
	2019	977,919	176,912	100,000	478,391	-	386,350	2,119,572	
Total Remuneration	**2020**	**935,275**	**262,404**	**670,058**	**888,480**	**-**	**354,666**	**3,110,883**	
	2019	1,270,419	176,912	385,000	478,391	46,665	386,350	2,743,737	

[4] P Sttau resigned on 27 September 2019 and forfeited his LTI shares and LTVC for 2019.
[5] Other short-term benefits include housing and school fee allowances.
[6] Salary and fees for Directors and Executive were reduced by 40% and 35% respectively in Q2.
[7] Salary and fees for Directors and Executive were paid in shares at 40% and 35% of their cash salary in Q3 and Q4 respectively. The salary in shares is included in the Remuneration column in the table.

There were no other non-monetary, termination benefits, long term benefits (except LTI Plan and LTVC scheme) or post-employment/superannuation benefits in the current or prior year, hence the categories have been excluded from the tables above.

No material contracts involving Directors' interests were entered into since the end of the previous financial year, or existed at the end of the year, other than those transactions detailed in Note 28 Related party transactions in the financial statements.

Remuneration Report (audited) (continued)

Shareholdings of KMP[1] held in iCar Asia Limited

31 December 2020	Balance at the beginning of the period 1 January 2020	Granted as remuneration	Net change Other[2]	Balance at the end of the period 31 December 2020
Executive Director:				
G Chmiel	1,298,714	535,724	-	1,834,438
Non-Executive Directors:				
P Grove[3,4]	119,943,310	133,931	3,911,708	123,988,949
L Elliott[3,4]	119,943,310	133,931	3,911,708	123,988,949
S Khalil Ibrahim	2,483,134	133,931	-	2,617,065
P Everingham	196,745	133,931	-	330,676
R Kuo	239,880	156,253	-	396,133
Other Key Management Personnel:				
H Stone	3,488,438	3,599,857	-	7,088,295
K Jakobsen	-	117,133	-	117,133
Yee Chin Beng	-	710,473	-	710,473
J Adams	174,560	593,777	224,755	993,092

[1] Includes shares held directly, indirectly and beneficially by KMP.
[2] All equity transactions with KMP other than those arising from remuneration by the Group have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.
[3] P Grove and L Elliott have a relevant interest in securities held by ICQ Holdings Sdn Bhd and Catcha Group Pte Ltd totalling 123,988,949.
[4] Shares allocated to the Director were issued to Catcha Group Pte Ltd.
[5] Net change other for J Adams included shares sold of 52,695 units and shares issued to close family member not related to KMP remuneration, 277,450 units.

Remuneration Report (audited) (continued)

C Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements.

LTI incentives are paid to Key Management Personnel according to the achievement of performance targets which are set half yearly as follow:

- 50% on achievement of Group Revenue and EBITDA targets. EBITDA targets are treated as a 'gate' to achievement and if not met, no reward is made under this category.
- 30% on 'vibrancy' metrics targets:
    - Website audience.
    - Volume of consumer leads delivered through the portals.
    - Volume of paying accounts (new and used car).
    - Volume of used cars listed in the sales markets.
- 10% on employee engagement targets as assessed by an employee net promoter score derived from an internal survey.
- 10% on achievement of function-specific strategic goals.

For the Chief Financial Officer these strategic goals involve delivery of cost control measures, operations team projects and cross-functional conversion initiatives.

For the Chief Information Officer the goals involve the timely provision of products and technical capabilities for the Group and efficiencies in the delivery process.

For the Chief Marketing Officer the goals involve delivery of specific marketing strategy projects, brand assessment and financial performance in the Media division.

The Chief Executive Officer's goals aggregate those given to the other key management personnel and align to specific strategic milestones.

Due to unforeseen circumstances caused by COVID-19, the Nomination & Remuneration Committee has taken into consideration the unexpected impact on performance targets during the financial year in deciding the LTI entitlement of each of the Key Management Personnel.

The following table outlines the proportion of maximum LTI earned in relation to the financial year ended 2020.

	Maximum LTI opportunity (% of fixed remuneration)	% of maximum LTI earned
H Stone (CEO)	125%	67%
Yee Chin Beng (CFO)	80%	66%
K Jakobsen (CIO)	80%	66%
J Adams (CMO)	50%	0%

Remuneration Report (audited) (continued)

Details of these agreements are as follows (please refer to Section A for further information on short-term and long-term incentives):

Name:	Mr Georg Chmiel
Title:	Executive Chairman
Term of agreement:	3 months termination notice period by executive and company.
Details:	Base salary cost is AUD 150,000 per annum. *Long term incentive* Not applicable *Options:* 1,000,000 options exercisable at $0.40 per option vesting on 31 December 2019 and expiring on 31 December 2021.

Name:	Mr Hamish Stone
Title:	Chief Executive Officer
Term of agreement:	6 months termination notice period by executive and company.
Details:	Base salary cost is AUD $500,000, of which $350,000 will be paid in cash and $150,000 will be paid in shares in the Company (with trading lock on shares for 12 months from issue date). *Long term incentive* Up to AUD 625,000 per annum subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding financial year to which the incentive relates. The shares are issued in 3 instalments: 3 months, 15 months and 27 months after the end of the annual performance period to which the LTI relates, split as 40%, 30%, 30% respectively. Please see above for performance criteria. Please see page 24 for amount awarded for 2020 financial year. *Other benefits:* Housing allowance of MYR 16,000 per month (equivalent to approximately 2020: AUD 5,525 (2019: AUD 5,542) per month). *Long term value creation (LTVC)* LTVC share for Hamish is 1.35%. LTVC scheme entitlements is based on exceeding a specified share price hurdle of $0.30 in any of the three observation periods (2018, 2019 and 2020). The number of entitlements will be based on the Volume Weighted Average Price of the Group's share price in the December of the relevant observation period.

Name:	Yee Chin Beng
Title:	Chief Financial Officer
Term of agreement:	6 months termination notice period by executive and company.
Details:	Base salary cost is AUD 240,696 per annum with effective from 1 April 2020.

Long term incentive
Up to AUD 192,557 per annum subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding financial year to which the incentive relates. The shares are issued in 3 instalments: 3 months, 15 months and 27 months after the end of the annual performance period to which the LTI relates, split as 33%, 33%, 33% respectively.

Please see above for performance criteria. Please see page 24 for amount awarded for 2020 financial year.

Long term value creation:
LTVC share for Yee Chin Beng is 0.40%. LTVC scheme entitlements is based on exceeding a specified share price hurdle of $0.30 in any of the three observation periods (2018, 2019 and 2020). The number of entitlements will be based on the Volume Weighted Average Price of the Group's share price in the December of the relevant observation period.

Name:	Kjetil Hellebo Rohde Jakobsen
Title:	Chief Information Officer
Term of agreement:	6 months termination notice period by executive and company.
Details:	Base salary cost is AUD 235,000 per annum.

Long term incentive:
Up to AUD 188,000 per annum subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding financial year to which the incentive relates. The shares are issued in 3 instalments: 3 months, 15 months and 27 months after the end of the annual performance period to which the LTI relates, split as 33%, 33%, 33% respectively. Please see above for performance criteria.

Please see above for performance criteria. Please see page 24 for amount awarded for 2020 financial year.

Long term value creation:
LTVC share for Kjetil is 0.25%. LTVC scheme entitlements is based on exceeding a specified share price hurdle of $0.495 for the 2020 observation period. The number of entitlements will be based on the Volume Weighted Average Price of the Group's share price in the December of the relevant observation period.

Other benefits:
Housing allowance of MYR 12,000 per month (equivalent to approximately 2020: AUD 4,144 per month) and school fee allowance of AUD 62,232 per annum.

Name:	Mr Jonathan Joseph Adams
Title:	Chief Marketing Officer
Term of agreement:	3 months termination notice period by executive and company.
Details:	Base salary cost is AUD 180,000 per annum.

Long term incentive:

Up to AUD 90,000 per annum subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding financial year to which the incentive relates. The shares are issued in 3 instalments: 3 months, 15 months and 27 months after the end of the annual performance period to which the LTI relates, split as 33%, 33%, 33% respectively.

Please see above for performance criteria. Please see page 24 for amount awarded for 2019 financial year.

Long term value creation:

LTVC share for Jonathan is 0.25%. LTVC scheme entitlements is based on exceeding a specified share price hurdle of $0.30 in any of the three observation periods (2018, 2019 and 2020). The number of entitlements will be based on the Volume Weighted Average Price of the Group's share price in the December of the relevant observation period.

Other benefits:

School fee allowance of AUD 44,000 per annum.

The Nomination & Remuneration Committee of the Board will recommend each year reasonable performance measures and targets for use in assessing each Executive's performance. After the end of each financial year, the Nomination & Remuneration Committee of the Board will review each Executive's performance in comparison to these measures and targets. Incentive targets (as a percentage of Total Executive Compensation ('TEC')) are to be determined annually by the Board, based on the recommendation of the Nomination & Remuneration Committee for the coming year. TEC is base remuneration inclusive of benefits.

Remuneration Report (audited) (continued)

D Share-based compensation

Issue of shares

Details of shares issued to Directors and other key management personnel as part of compensation during the year ended 31 December 2020 are set out below:

	Financial Year	Category	Number of Shares granted up to 31 December 2020	Number of shares vested during 2020	Fair Value per share $	Fair value of shares $	Grant date	Vesting date	Issue date
Executive Director:									
G Chmiel	2019	Director Fees	535,724	535,724	0.2240	120,000	February 2020	February 2020	June 2020
Non-Executive Directors:									
P Grove	2019	Director Fees[1]	133,931	133,931	0.2240	30,000	February 2020	February 2020	June 2020
L Elliott	2019	Director Fees[1]	133,931	133,931	0.2240	30,000	February 2020	February 2020	June 2020
S Khalil Ibrahim	2019	Director Fees	133,931	133,931	0.2240	30,000	February 2020	February 2020	June 2020
P Everingham	2019	Director Fees	133,931	133,931	0.2240	30,000	February 2020	February 2020	June 2020
R Kuo	2019	Director Fees	156,253	156,253	0.2240	35,000	February 2020	February 2020	June 2020
Other Key Management Personnel:									
H Stone	2019	LTVC	1,313,794	1,313,794	0.3065	402,678	February 2018	January 2020	January 2020
	2017	LTI	459,247	459,247	0.2417	111,000	February 2018	February 2020	June 2020
	2019	LTI	1,157,162	1,157,162	0.2240	259,200	February 2020	February 2020	June 2020
	2020	Remuneration	669,654	669,654	0.2240	150,000	February 2020	February 2020	June 2020
Yee Chin Beng	2019	LTVC	315,311	315,311	0.3065	96,643	February 2019	January 2020	January 2020
	2019	LTI	267,862	267,862	0.2240	60,000	February 2020	February 2020	April 2020
	2020	Remuneration	75,330	75,330	0.2917	21,975	August 2020	August 2020	August 2020
	2020	Remuneration	51,970	51,970	0.4363	22,673	November 2020	November 2020	November 2020

Remuneration Report (audited) (continued)

	Financial Year	Category	Number of Shares granted up to 31 December 2020	Number of shares vested during 2020	Fair Value per share $	Fair value of shares $	Grant date	Vesting date	Issue date
Other Key Management Personnel:									
J Adams	2019	LTVC	262,758	262,758	0.3065	80,535	February 2018	January 2020	January 2020
	2017	LTI	87,280	87,280	0.2417	21,096	February 2018	February 2020	April 2020
	2019	LTI	154,020	154,020	0.2240	34,500	February 2020	February 2020	April 2020
	2020	Remuneration	52,695	52,695	0.2917	15,372	August 2020	August 2020	August 2020
	2020	Remuneration	37,024	37,024	0.4363	16,152	November 2020	November 2020	November 2020
K Jakobsen	2020	Remuneration	68,796	68,796	0.2917	20,069	August 2020	August 2020	August 2020
	2020	Remuneration	48,337	48,337	0.4363	21,088	November 2020	November 2020	November 2020

[1] Shares allocated to the Director were issued to Catcha Media Pte Ltd

Share based payments of $1,581,147 have been accrued in relation to 2020 in lieu of Directors Fees ($338,000) and executive variable remuneration ($1,243,147). The number of shares to be granted was agreed at the meeting of the Nomination & Remuneration Committee in February 2021.

Remuneration Report (audited) (continued)

The table below discloses the number of share options outstanding at the end of the year.

Options holdings of KMP							
KMP	**Balance 1 January 2020**	**Granted as remuneration**	**Options exercised**	**Net change other**	**Balance 31 December 2020**	**Exercisable**	**Not exercisable**
G Chmiel (Exec. Chairman)	1,000,000	-	-	-	1,000,000	1,000,000	-
P Grove (Director)	3,777,777	-	(3,777,777)	7,555,553	7,555,553	7,555,553	-
L Elliott (Director)	3,777,777	-	(3,777,777)	7,555,553	7,555,553	7,555,553	-

There were no options related to remuneration exercised during the year.

The option holdings of Patrick Grove and Lucas Elliott are in connection with the Finance facility from Catcha Group Pte Ltd. For further details see Note 23.

Long term value creation (LTVC)

During the year, there was a new entrant to LTVC. The following table list the key inputs and assumptions to the model used to calculate the grant date fair value of the LTVC award were:

	LTVC (Existing)	LTVC (New Entrants)
Share price hurdle	$0.300	$0.495
Baseline share price	$0.180	$0.375
Dividend yield	0%	0%
Expected volatility	69%	69%
Risk-free interest rate	2.20%	2.20%
Model used	Monte Carlo	Monte Carlo

On 20 February 2020, the share of value creation for Chief Executive Officer and Chief Financial Officer was increased to 1.35% (1.25% in 2019) and 0.40% (0.30% in 2019) respectively. The difference in the fair value of $93,658 arising from these changes have been accounted for and amortised in the financial statements. These modified awards were calculated using the same assumptions and model as the new entrant described in the table above.

The table below discloses the accounting amortisation of the LTVC Scheme in financial statements for the year ended 31 December 2020 relating to key management personnel. The table also discloses the total grant date fair value of the LTVC awarded to each key management personnel. The amortisation value is based on the fair value of the LTVC Scheme at grant date. The LTVC Scheme entitlements is based on exceeding a specified share price hurdle in any of the three observation periods (2018, 2019 and 2020).

The number of shares awarded under the LTVC scheme for the 2019 observation period was 3,153,105, of which 1,891,863 (representing 60%) vested on 31 January 2020. Out of the remaining 40% of LTVC scheme for 2019, 1,261,242 vested on 31 January 2021.

For the December 2020 observation period, the volume weighted average price exceeded the specified share price hurdle. The number of shares awarded under the LTVC scheme for 2020 was 1,348,654 of which 809,192 (representing 60%) vested on 31 January 2021. The remaining 40% are due to vest on 31 January 2022 provided the key management personnel remains in service.

Key management personnel	Share of value creation	Amortisation in 2020 $	Grant date fair value $
Hamish Stone Chief Executive Officer	1.35%	184,791	981,755
Yee Chin Beng Chief Financial Officer	0.40%	55,562	68,904
Kjetil Jakobsen Chief Information Officer	0.25%	86,721	119,793
Jonathan Adams Chief Marketing Officer	0.25%	27,592	186,985

E Additional Information

The Group has a policy of ensuring that at least part of the remuneration of key management personnel is based on the performance of the Group. Key management personnel are compensated with fixed remuneration and 'at risk' remuneration based on the key performance measures of the Group.

The performance of the Group for the year to 31 December 2020 and the previous four years is summarised below:

	2020	2019	2018	2017	2016
Revenue	14,055,747	14,841,298	11,555,944	9,111,498	6,663,394
EBITDA	(6,406,344)	(6,737,164)	(11,311,775)	(11,825,817)	(13,812,745)
Loss after income tax	(10,668,518)	(10,786,557)	(13,606,453)	(13,377,600)	(14,999,485)

The factors that are considered to affect total shareholders return ("TSR") are summarised below:

	2020	2019	2018	2017	2016
Share price at financial year end ($A)	0.39	0.30	0.14	0.20	0.25
Basic loss per share (cents per share)	(2.49)	(2.65)	(3.57)	(4.12)	(5.59)
Diluted loss per share (cents per share)	(2.49)	(2.65)	(3.57)	(4.12)	(5.59)

The Group entered into a $5,000,000 secured loan facility provided by Catcha Group Pte Ltd in November 2017 to be used for working capital purposes if and when required and which may be drawn down subject to a related issue of options to Catcha Group Pte Ltd and other conditions. During the year, the Group has made $2,000,000 in drawdowns on this facility and this amount remains outstanding as of 31 December 2020 (2019: nil). The outstanding balance is interest free following the amendment on the facility by way of an amendment deed as disclosed in Note 23. 7,555,553 unlisted options at an exercise price of $0.20 each were issued to Catcha Group Pte Ltd on 30 October 2020 upon first drawdown of the facility. These options remain unexercised as at 31 December 2020.

To provide further flexibility for its funding requirements the Group has agreed a further debt facility of $10,000,000 with Catcha Group Pte Ltd on 16 February 2021. For further details see Note 23.

There were no loans, other transactions and balances with KMP and their related parties during the year other than those transactions detailed in Note 28 Related party transactions in the financial statements.

This concludes the remuneration report, which has been audited.

Signed in accordance with a resolution of the directors.

Georg Chmiel
Executive Chairman

Kuala Lumpur
19 March 2021

Building a better working world

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Auditor's independence declaration to the directors of iCar Asia Limited

As lead auditor for the audit of the financial report of iCar Asia Limited for the financial year ended 31 December 2020, I declare to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of iCar Asia Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

BJ Pollock

BJ Pollock
Partner
19 March 2021

iCar Asia Limited and Controlled Entities
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2020

	Note	Consolidated 2020 $	Consolidated 2019 $
Revenue			
Revenue from contracts with customers	4	13,837,374	14,794,901
Other revenue	4	218,373	46,397
Total revenue		14,055,747	14,841,298
Expenses			
Administration and related expenses		(2,578,890)	(2,425,487)
Advertising and marketing expenses		(3,146,031)	(6,076,286)
Cost of goods sold		(1,228,554)	(550,382)
Employment related expenses	6	(11,833,047)	(11,192,098)
Premises and infrastructure expenses		(1,628,508)	(1,310,814)
Offline production costs		(47,061)	(23,396)
Depreciation and amortisation expense	6	(3,756,006)	(3,505,978)
Operating loss		(10,162,350)	(10,243,143)
Interest income	5	15,332	101,364
Interest expense	6	(382,476)	(440,971)
Loss before tax		(10,529,494)	(10,582,750)
Income tax expense	7	(139,024)	(203,807)
Loss after income tax expense for the year attributable to the owners of iCar Asia Limited and Controlled Entities	21	(10,668,518)	(10,786,557)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(3,472,970)	1,473,170
Items that may not be reclassified subsequently to profit or loss			
Remeasurements of employee defined benefit		155,121	82,265
Other comprehensive income for the year, net of tax		(3,317,849)	1,555,435
Total comprehensive income for the year attributable to the owners of iCar Asia Limited and Controlled Entities		(13,986,367)	(9,231,122)
Earnings Per Share		**Cents**	**Cents**
Basic loss per share	33	(2.49)	(2.65)
Diluted loss per share	33	(2.49)	(2.65)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

iCar Asia Limited and Controlled Entities
Consolidated Statement of Financial Position
For the year ended 31 December 2020

	Note	Consolidated 31 Dec 2020 $	31 Dec 2019 $ Restated
Assets			
Current assets			
Cash and cash equivalents	8	2,165,797	6,833,304
Trade and other receivables and contract assets	9	1,412,983	1,202,088
Other assets	10	2,733,676	3,303,142
Total current assets		**6,312,456**	**11,338,534**
Non-current assets			
Property, plant and equipment	11	517,689	708,359
Right-of-use assets	12	1,501,635	1,048,542
Intangibles	13	8,196,299	10,092,524
Goodwill	13	22,453,192	24,565,771
Other non-current assets		-	83,314
Total non-current assets		**32,668,815**	**36,498,510**
Total assets		**38,981,271**	**47,837,044**
Liabilities			
Current liabilities			
Trade and other payables	14	3,471,486	3,886,286
Contract liabilities	4	1,702,295	1,838,120
Lease liabilities	12	663,039	513,255
Provisions	15	1,392,821	1,301,780
Other current liabilities	16	1,622,346	1,744,015
Borrowings	23	1,715,669	-
Total current liabilities		**10,567,656**	**9,283,456**
Non-current liabilities			
Provisions	17	830,016	743,149
Lease liabilities	12	856,305	490,823
Deferred tax liabilities		109,733	121,345
Total non-current liabilities		**1,796,054**	**1,355,317**
Total liabilities		**12,363,710**	**10,638,773**
Net assets		**26,617,561**	**37,198,271**
Equity			
Issued capital	19	134,170,159	132,051,813
Reserves	20	(6,565,097)	(4,260,866)
Accumulated losses	21	(100,987,501)	(90,592,676)
Total equity		**26,617,561**	**37,198,271**

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

iCar Asia Limited and Controlled Entities
Consolidated Statement of Changes in Equity
For the year ended 31 December 2020

	Issued capital	Foreign currency translation and Other reserve	Equity reserve	Share based payment reserve	Accumulated losses	Total equity
	$	$	$	$	$	$
Balance at 1 January 2020 (restated)	132,051,813	3,797,316	(10,965,292)	2,907,110	(90,474,104)	37,316,843
Loss after income tax expense for the period	-	-	-	-	(10,668,518)	(10,668,518)
Other comprehensive income for the period, net of tax	-	(3,472,969)	-	-	155,121	(3,317,848)
Total comprehensive income for the period	-	(3,472,969)	-	-	(10,513,397)	(13,986,366)
Transactions with owners in their capacity as owners						
11,267,902 shares issued during the period	2,144,906	-	-	(1,389,351)	-	755,555
Transaction costs (net of tax)	(26,560)	-	-	-	-	(26,560)
Share to be issued in lieu of directors' remuneration	-	-	-	338,000	-	338,000
Executive variable remuneration	-	-	-	1,910,640	-	1,910,640
Options for loan facility	-	-	309,449	-	-	309,449
Balance at 31 December 2020	**134,170,159**	**324,347**	**(10,655,843)**	**3,766,399**	**(100,987,501)**	**26,617,561**

	Issued capital	Foreign currency translation and Other reserve	Equity reserve	Share based payment reserve	Accumulated losses	Total equity
	$	$	$	$	$	$
Balance at 1 January 2019	123,656,458	2,324,146	(10,965,292)	1,848,782	(79,888,384)	36,975,710
Loss after income tax expense for the period	-	-	-	-	(10,786,557)	(10,786,557)
Other comprehensive income for the period, net of tax	-	1,473,170	-	-	82,265	1,555,435
Total comprehensive income for the period	-	1,473,170	-	-	(10,704,292)	(9,231,122)
Transactions with owners in their capacity as owners						
41,768,763 shares issued during the period	8,435,065	-	-	(760,603)	-	7,674,462
Transaction costs (net of tax)	(39,710)	-	-	-	-	(39,710)
Share to be issued in lieu of directors' remuneration	-	-	-	275,000	-	275,000
Executive variable remuneration	-	-	-	1,135,931	-	1,135,931
Options for loan facility	-	-	-	408,000	-	408,000
Balance at 31 December 2019 (restated)	**132,051,813**	**3,797,316**	**(10,965,292)**	**2,907,110**	**(90,592,676)**	**37,198,271**

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

iCar Asia Limited and Controlled Entities
Consolidated Statement of Changes in Cash Flows
For the year ended 31 December 2020

	Note	Consolidated 2020 $	2019 $
Cash flows from operating activities			
Receipts from customers		14,098,589	16,074,874
Payments to suppliers and employees		(19,328,870)	(22,267,799)
Income tax paid		(160,765)	(130,404)
		(5,391,046)	(6,323,329)
Interest received		15,940	107,810
Interest paid		(131,088)	(147,695)
Net cash used in operating activities	32	(5,506,194)	(6,363,214)
Cash flows from investing activities			
Payments for property, plant and equipment		(238,180)	(104,811)
Payments for intangibles		(607,259)	(857,395)
Payments for purchase of subsidiaries, net of cash acquired	18	-	(2,165,597)
Net cash used in investing activities		(845,439)	(3,127,803)
Cash flows from financing activities			
Proceeds from short term loan facility		2,000,000	-
Proceeds from options exercised		755,555	7,675,275
Share issue transaction costs		-	(33,320)
Payment of lease liabilities		(825,371)	(653,530)
Net cash from financing activities		1,930,184	6,988,425
Net decrease in cash and cash equivalents		(4,421,449)	(2,502,592)
Net foreign exchange difference		(246,058)	(195,825)
Cash, cash equivalents and investments at the beginning of the year		6,833,304	9,531,721
Cash, cash equivalents and investments at the end of the year	8	**2,165,797**	**6,833,304**

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

1. Corporate information

The consolidated financial statements of iCar Asia Limited and its subsidiaries (collectively, the 'Group') for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of Directors made on 19 March 2021. The Directors have the power to amend and reissue the financial report.

iCar Asia Limited is a for profit public company incorporated in Australia and is listed on the Australian Securities Exchange. The Group's principal place of business is Centerpoint North Tower, Mid Valley City Lingkaran Syed Putra, Kuala Lumpur, Malaysia.

The Group's principal activities during the year were the development and operation of internet based automotive portals in South East Asia.

2. Summary of significant accounting policies

2.1 Basis of preparation

This financial report has been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars. Where applicable, prior year comparatives have been restated in line with current year presentation.

The accounting policies and methods of computation adopted in the preparation of the financial report are consistent with those adopted and disclosed in the Group's annual report for the financial year ended 31 December 2019. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards, with the exception of the new and amended standards adopted and set out below.

Compliance with International Financial Reporting Standards (IFRS)

The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Going concern basis of accounting

During the financial year ended 31 December 2020 the Group incurred a net loss after tax of $ 10.7 million (2019 $10.8 million). Net cash outflows from operating activities were $5.5 million (2019: $6.4 million). As at 31 December 2020 current liabilities of $10.6 million exceed current assets of $6.3 million by $4.3 million.

The financial report has been prepared on the basis that the Group is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The directors in their consideration of the appropriateness of the going concern basis for the preparation of the financial report have reviewed the Group's cash flow forecasts and revenue projections based on current market conditions and business plans. At the date of this report and having considered the above factors, the directors believe the Group will continue as a going concern on the basis that the Group's cash flow forecasts indicate that the Group will be able to meet its forecast net outgoings over the coming 12 months on the basis of the generation of sufficient net cash inflows from operating activities and having access to $15 million in long term debt facilities maturing in June 2023. On 16 February 2021 and 25 February 2021 the Group entered into an amendment deed with Catcha Group Pte Ltd to increase the limit of the Group's debt facilities (the "Catcha Facility") by $10 million to $15 million and to extend the maturity of the facility from June 2021 to June 2023 and to amend certain financial covenants. The terms and conditions of the Catcha Facility are disclosed in Note 23.

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

The generation of sufficient funds from operating activities is dependent upon the Malaysia and Thailand operations continuing to generate positive net operating cash flow and reduction in net operating cash out flows of the Indonesian operations. These forecasts are dependent upon the pace of recovery from COVID-19 on the Group's revenue growth and cash collection profile being as projected in the Group's cash flow forecasts.

The Group's is forecasting automotive markets in all three operating locations to gradually recover starting in 2021. This recovery is assumed to be led by growth in new car sales and related used car trade-in activities, both of which underpin the growth and recovery in forecast cash flow. Since June 2020, the Group is experiencing some recovery in the volume of new car sales in all 3 countries, following material COVID-19 related sales declines in March 2020 to May 2020. New car sales in Malaysia and Thailand for second half of 2020 delivered growth of 103% and 41% compared to first half of 2020 with December recording the highest monthly sales in the year. New car sales in Indonesia in the second half of 2020 increased by 4% compared to the first half of 2020. Its December monthly sales was also the highest since March 2020.

To the extent that revenues do not grow or recovery from COVID-19 related impacts is not at the rate that is forecast, the Group will reduce its operating expenses to a level that is commensurate with the level of activity in the areas of employment, marketing and administration in order to preserve its cash reserves. The Directors acknowledge the heightened degree of uncertainty associated with forecasting recovery in revenue and cash receipts from customers in particular due to the continuing impact of COVID-19.

As at the date of this report the Group has access to $12m of undrawn facilities under the Catcha Facility should the Group's cash flows be less favourable than forecast. The Catcha Facility is available to be drawn down based on the Group's compliance with the terms and conditions of the facility as disclosed in Note 23. The Catcha Facility will provide the Group with the necessary liquidity to manage its operations in the next 2 years from this report. As announced to ASX, the Group is in advanced discussions with Autohome for a potential acquisition of 100% of the Shares in the parent company of the Group. These discussions place impediments on the Group from raising new equity capital, which itself has been a factor in the Group's decision to secure the extension of the $15m in debt facilities. Should these discussions with Autohome not lead to a formal proposal for a change of control of the Group, the directors will consider whether there are superior ways to strengthen the balance sheet of the company and if it is in the best interests of shareholders to do so.

The financial report does not include adjustments, if any, relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

2. Summary of significant accounting policies (continued)

2.2 Changes in accounting policies, disclosures, standards and interpretations

(i) Changes in accounting policies, new and amended standards and interpretations

The Group applied, for the first time, certain standards and amendments which are effective for annual periods beginning on or after 1 January 2020.The nature and the impact of each new standard and/or amendment is described below:

AASB 2019-1 Conceptual Framework

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

AASB 2019-1 has also been issued, which sets out the amendments to Australian Accounting Standards, Interpretations and other pronouncements in order to update references to the revised Conceptual Framework. The changes to the Conceptual Framework may affect the application of accounting standards in situations where no standard applies to a particular transaction or event. In addition, relief has been provided in applying AASB 3 and developing accounting policies for regulatory account balances using AASB 108, such that entities must continue to apply the definitions of an asset and a liability (and supporting concepts) in the Framework for the Preparation and Presentation of Financial Statements (July 2004), and not the definitions in the revised Conceptual Framework.

These amendments had no significant impact on the consolidated financial statements of the Group.

AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business

The Standard amends the definition of a business in AASB 3 Business Combinations. The amendments clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

These amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

This Standard amends AASB 101 Presentation of Financial Statements and AAS 108 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

The amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

2. Summary of significant accounting policies (continued)

2.2 Changes in accounting policies, disclosures, standards and interpretations (continued)

AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia

It is possible that an entity complying with Australian Accounting Standards cannot assert compliance with IFRS Standards if its reporting date falls between the issuance date of a new IFRS Standards and a later release date of an equivalent Australian Accounting Standards. To enable IFRS compliance assertion despite such delays, this standard amends AASB 1054 Australian Additional Disclosures to acquire disclosure of the possible impact of initial application of forthcoming IFRS Standards not yet adopted by the AASB, as specified in paragraphs 30 and 31 of AASB 108. Entities complying with Australian Accounting Standards can asset compliance with IFRS Standards by making this additional disclosure.

These amendments had no significant impact on the consolidated financial statements of the Group.

AASB 2020-4 Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions

This Standard amends AASB 16 to provide a practical expedient that permits lessees not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.

Lease modifications

As a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification.

The practical expedient in paragraph 46A applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- There is no substantive change to other terms and conditions of the lease.

These amendments had no significant impact on the consolidated financial statements of the Group.

2. Summary of significant accounting policies (continued)

(ii) Changes in accounting policies, new and amended standards and interpretations but not yet effective

AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform- Phase 2

This standard effective for annual reporting periods beginning on or after 1 January 2021.

The amendments:
► Require changes to future cash flows that are directly required by the IBOR reform to be treated as if they were changes to a floating interest rate. Applying this expedient would not affect the carrying amount of the financial instrument. It also relieves entities of the need to assess whether modification or derecognition accounting applies under AASB 9 and AASB 139.
► Require changes to lease payments that are directly required by the IBOR reform to be accounted for as a remeasurement of lease liability using the original discount rate with a corresponding adjustment to the right-of-use asset. This expedient exempts entities from remeasuring the lease liability using a new discount rate under AASB 16.

Entities would not have to discontinue hedge accounting due to IBOR reform, provided that the hedge continues to meet other hedge accounting criteria.

The Group does not expect this standard will have a significant impact on the Group financial report however it will continue to assess this.

AASB 2020-1 Amendments to Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current

This standard effective for annual reporting periods beginning on or after 1 January 2023.

A liability is classified as current if the entity has no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. The AASB recently issued amendments to AASB 101 to clarify the requirements for classifying liabilities as current or non-current.

This specifically for:
- The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.
- Management intention or expectation does not affect classification of liabilities.
- In cases where an instrument with a conversion option is classified as a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current.

These amendments are applied retrospectively. The Group does not expect this standard will have a significant impact on the Group financial report however it will continue to assess this.

AASB 2020-3[1] Amendment to AASB 9 - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Part of Annual Improvements 2018-2020 Cycle)

This standard effective for annual reporting periods beginning on or after 1 January 2022.

This test assesses whether the new contractual terms between the borrower and the lender are substantially different from the original contractual terms, in determining whether the original financial liability should be derecognised.The objective of this improvement is to clarify which fees and costs a company includes in this “10 per cent” test.

The Group does not expect this standard will have a significant impact on the Group financial report however it will continue to assess this.

2. Summary of significant accounting policies (continued)

2.2 Changes in accounting policies, disclosures, standards and interpretations (continued)

AASB 2020-3 Conceptual Framework

This standard effective for annual reporting periods beginning on or after 1 January 2022.

The IASB's assessment of applying the revised definitions of assets and liabilities in the Conceptual Framework to business combinations showed that the problem of day 2 gains or losses would be significant only for liabilities that an acquirer accounts for after the acquisition date by applying the IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies. The Board updated IFRS 3 in May 2020 for the revised definitions of an asset and liability and excluded the application of the Conceptual Framework to liabilities and contingent liabilities within the scope of IAS 37 or IFRIC 21.

The Group does not expect this standard will have a significant impact on the Group financial report however it will continue to assess this.

AASB 2020-3 Amendments to AASB 137 - Onerous Contracts - Cost of Fulfilling a Contract

This standard effective for annual reporting periods beginning on or after 1 January 2022.

AASB 137 was amended to clarify that when assessing whether a contract is onerous, the cost of fulfilling the contract comprises all costs that relate directly to the contract, which includes both the:
- Incremental costs of fulfilling that contract; and
- An allocation of other cost that relate directly to fulfilling contracts.

The Group does not expect this standard will have a significant impact on the Group financial report however it will continue to assess this.

2.3 Significant accounting policies

a) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of the Group at 31 December 2020 and the results for the year then ended.

Subsidiaries are all those entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

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

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

2. Summary of significant accounting policies (continued)

2.3 Significant accounting policies (continued)

a) Basis of consolidation (continued)

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

b) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

c) Business combinations

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

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

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

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

2. Summary of significant accounting policies (continued)

2.3 Significant accounting policies (continued)

c) Business combinations (continued)

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

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

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

d) Foreign currency translation

The financial report is presented in Australian dollars, which is the functional currency of the parent entity and the presentation currency of the Group.

Foreign currency transactions

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

Foreign operations

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

2. Summary of significant accounting policies (continued)

2.3 Significant accounting policies (continued)

d) Foreign currency translation (continued)

On consolidation, the assets and liabilities of the Group's foreign operations are translated into Australian dollars, being the Group's presentation currency, at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing spot rate at the reporting date.

e) Revenue from contracts with customers

The Group is in the business of operating internet based automotive portals. The portals cater to two automotive market segments, being used car buyers and new car buyers.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

The Group assesses each arrangement to determine whether the Group acts as principal or agent based on whether the Group controls the product or service before transferring it to the end customer. Where the Group acts as principal, revenue is recorded on a gross basis versus on a net basis where the Group acts as agent. Refer to Note 4 for details on the pattern of revenue recognition.

<u>Used Car</u>

Classifieds revenue
(a) Subscription revenue – Customers (car sellers) pay a subscription fee to have access to iCar's websites to advertise cars for sale. Subscription periods are typically for 6 or 12 months and are paid upfront by the customer.
(b) Depth credits revenue – Depth credits allow a customer to enhance the visibility of their car sale listing on iCar's websites by 'bumping' their advertisement higher up the search listing on the site. Depth credits are paid for upfront and are able to be used by the customer for a specified period of time before expiry. The expiry period ranges from 4 to 24 weeks.

Car Sales Centres (Carsentros)
This business is a transaction platform for car dealers and leading car financing businesses, and generate finance commission, rental maintenance fees and sponsorship income.

Auction Commissions
Customers (car sellers) list cars for sale by way of buyer auction facilitated by iCar's websites. For facilitating the auction on our websites, iCar earns an auction commission from the car seller based on a percentage of the sale price of the car, when the car is sold.

Other Commissions
Commissions are earned by iCar in relation to the sale of warranty, inspection and private seller service. In these arrangements, iCar acts as agent not principal, as iCar does not control the services before they are transferred to the customer.

2. Summary of significant accounting policies (continued)

2.3 Significant accounting policies (continued)

e) Revenue from contracts with customers (continued)

<u>Used Car</u>

Trading revenue
Customers (car sellers) sells the cars to iCar's directly and iCar will in turn sell to dealers. iCar holds the cars for a short period and makes a profit/loss on the difference between the purchase price from car sellers and selling price to dealers.

<u>New Car</u>

New Car Dealers
(a) Subscription revenue – Dealers pay a subscription fee to have access to iCar's websites to advertise cars for sale. Subscription periods are for 6 or 12 months and are paid upfront by the dealers.
(b) Lead Revenue – Dealers pay for lead packets generated by iCar's websites that they may use to pursue and close out a new car sale transaction. Prepaid lead credits are paid for upfront and are able to be used by the dealer for a specified period of time before expiry. The expiry period ranges from 3 months to 6 months.

Media
Automotive and non-automotive customers promote their companies using on-site banner, video placement, electronic direct mail or via the use of 'advertorial' written or video content. Payment is generally due within 30 to 90 days of delivery. Revenue is recognised:

- on a straight line basis according to the proportion of the period of the campaign that has elapsed. Invoices paid prior to the completion of the project will be initially recognised as a contract liability in the statement of
- financial position and recognised on a straight line basis as the services are delivered;
- on the delivery or mailing of such a product where there are no remaining obligations to maintain or host content.

Where the Group provides media advertising services to a customer and in exchange receives non-cash consideration in the form of products or services, the Group applies the requirements of AASB 13 Fair Value Measurement in measuring the value of the products or services received, If the fair value of the services or products received cannot be reasonably estimated, the consideration is measured indirectly by reference to the stand-alone selling price of the media advertising services provided.

Events
iCar holds physical automotive events for one manufacturer or a multi-brand event including parts, accessories and ancillary services.

For the purposes of allocating event consideration between performance obligations, the standalone selling price of the floor space / services at the event ('booth space') is estimated on a cost plus standard margin basis whereby the larger the booth space, the cheaper the per square metre price. Booth space revenue is recognised when the event takes place.

Allocation of the transaction price for bundled services
Where services are sold as a bundled offering, the Group allocates the consideration to each service based on the relative standalone selling prices for each service. The standalone selling prices are observable as the Group regularly sells each service on a standalone basis.

Significant financing component
Due to the short-term nature of advances from customers, the Group's customer contracts do not contain a significant financing component.

2. Summary of significant accounting policies (continued)

2.3 Significant accounting policies (continued)

e) Revenue from contracts with customers (continued)

Contract balances
Trade receivables
A receivable represents the Group's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in section l) Financial instruments – initial recognition and subsequent measurement.

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities
A contract liability is the obligation to transfer goods or services to customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due. Contract liabilities are recognised as revenue when the Group performs the service under the contract.

Costs to obtain a contract
Sales employees are set targets based on total revenue and specific activities within their allocated client base and are rewarded tiered percentages of their contracted commission pools. In the circumstances where the commissions are incremental to obtain the customer contract, the Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions because the amortisation period of the asset that the Group otherwise would have used is one year or less.

f) Taxes

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

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

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

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss including the initial recognition of lease.

2. Summary of significant accounting policies (continued)

2.3 Significant accounting policies (continued)

f) Taxes

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

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

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

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

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

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

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

g) Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment. Depreciation is calculated using either straight line or diminishing value based on the assessed appropriateness of each method for each entity within the company. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

2. Summary of significant accounting policies (continued)

2.3 Significant accounting policies (continued)

g) Property, plant and equipment

The following estimated useful lives are used in the calculation of depreciation:

Plant and equipment	2-5 years
Office equipment	3-5 years
Furniture and fittings	3-5 years

The useful lives are unchanged from the prior reporting period.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

h) Leases

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

Group as lessee AASB 16
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of a lease, the Group recognises a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets, as follows:

Plant and equipment	2-5 years
Office equipment	3-5 years

The Group separately recognises the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Group will remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term and a change in future lease payments resulting from a change in an index or rate used to determine those payments). The Group will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Group as lessor AASB 16

Where the Group is an intermediate lessor, the head lease and the sublease are accounted for a two separate contracts. The sublease is classified as a finance lease or operating lease by reference to the right-of-use asset arising from the head lease.

2. Summary of significant accounting policies (continued)

2.3 Significant accounting policies (continued)

h) Leases (continued)

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

i) Intangible assets

Goodwill
Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

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

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Intangible assets acquired separately
Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure
Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

2. Summary of significant accounting policies (continued)

2.3 Significant accounting policies (continued)

i) Intangible assets (continued)

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Employee costs included in internally generated intangible assets are included in operating activities under payments to supplier and employees in the cash flow statement. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately. Internally generated intangible assets are generally amortised over 3 - 5 years.

Acquired software
Software is not considered to have an indefinite life and is generally amortised over 3 - 5 years. If at any point the software is no longer in use or continuing to generate future economic benefits it will be written down to zero.

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

j) Impairment of non-financial assets

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units ('CGUs') to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired and these CGU's are not larger than an operating segment. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The recoverable amount of a CGU is the higher of its fair value less costs of disposal and its value in use. The Group bases its impairment calculations on detailed budget and forecast calculations which are prepared separately for each CGU covering a period of five years. The first year of the period becomes the Annual Budget for the Group for the following year. A further four years are extrapolated at projected growth rates for both revenue and costs which management consider are appropriate for the business cycle and the markets the CGUs operate in. The five year cashflows are discounted using a weighted average cost of capital ('WACC'). WACC calculations are made for each CGU based upon prevailing long-term bond rates and market risk premiums. CGU-specific terminal multiples ('TMs') are applied to discounted fifth year cashflows. The TM is derived from WACC rates and long-term growth rates ('LTGR') using Gordon's Growth Formula.

Given the sensitivity of growth rates for both revenue and expenses due to stage of where the Group and the markets for which it operates are at, a range of possible scenarios are modelled to assess the carrying value of goodwill for impairment. These scenarios include: uplifts and downgrades of revenue assumptions and WACC and LTGR rates above and below those calculated.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2. Summary of significant accounting policies (continued)

2.3 Significant accounting policies (continued)

k) Cash and cash equivalents

Cash comprises cash on hand and on demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Group holds no bank overdraft.

l) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15. Refer to the accounting policies in section 2.4 (e).

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost are trade receivables.

2. Summary of significant accounting policies (continued)

2.3 Significant accounting policies (continued)

l) Financial instruments - initial recognition and subsequent measurement (continued)

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has assessed the risk from a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are any time past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

2. Summary of significant accounting policies (continued)

2.3 Significant accounting policies (continued)

l) Financial instruments - initial recognition and subsequent measurement (continued)

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iv) Compound financial instruments
The Catch Loan Facility has been accounted for a compound financial instrument in accordance with AASB 132 Financial Instruments – Disclosure and Presentation as it contains both a liability and an equity component. The liability component is disclosed in Note 23 and the equity component is disclosed in Note 20.

m) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including interest on short-term and long-term borrowings.

n) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

o) Employee benefits

Wages and salaries, annual leave and long service leave

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting.

2.3 Significant accounting policies (continued)

o) Employee benefits (continued)

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed when incurred.

Defined benefit pension plan

In Indonesia, the Group provides a defined benefit pension plan to its employees in conformity with the requirements of Indonesia Labour Law No. 13/2003. The cost of providing benefits under the defined benefit pension plan is determined using the projected unit credit method.

The Group applies the policy for recognising actuarial gains or losses, which are directly recognised in other comprehensive income.

All past service costs are recognised at the earlier of when the amendment/curtailment occurs and when the related restructuring or termination costs are recognized. As a result, unvested past service costs can no longer be deferred and recognised over the future vesting period.

Share-based payments

The Group measures the cost of equity settled transactions with employees and other parties based on the fair value of the equity provided at the grant date.

Where it is with employees in relation to performance payments in the future, the fair value is estimated based on an estimation of the probability of all performance criteria being met. This value is then used to discount the current value of the equity to determine an appropriate amount to be expensed each period until the vesting date. The estimate will have no impact on the carrying amount of the assets or liabilities of the company but may impact the value of expenses and equity in the current and future periods.

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

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

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

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

p) Issued capital

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

2. Summary of significant accounting policies (continued)

2.3 Significant accounting policies (continued)

q) Earnings per share

Basic earnings per share

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

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

r) Comparative amounts
Certain comparatives have been updated to ensure consistency with the presentation in the current period.

3. Critical accounting judgements, estimates and assumptions

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

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

The Group provides media services that are either sold separately or bundled together as part of a customer campaign. The media services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the customer. The Group determined that the performance obligations (on-site banner, video placement, electronic direct mail or via the use of 'advertorial' written or video content) are capable of being distinct. The fact that the Group regularly sells these services on a stand-alone basis indicates that the customer can benefit from both products on their own. Consequently, the Group allocated a portion of the transaction price to each of the services in the customer contract based on relative stand-alone selling prices.

The Group engages in partnership agreements with entities in the online media, finance and automotive sectors to cross-promote goods and services. The Group is required to estimate the fair value of the cash and non-cash consideration received or promised from the customer for goods or services received, and where this is not possible, estimate the fair value of the goods or services provided.

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

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group has calibrated the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The Group has historically experienced low levels of non-collection as the customers to which credit has been extended are large, credit-worthy institutions. Smaller customers, in particular the dealers that advertise on iCar's wesbites, are required to pay in advance. During the current financial year, the Group has modified its impairment assessment to incorporate estimates, assumptions and judgements specific to the impact of COVID-19 in the measurement of expected credit losses.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs may be sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Estimation of useful lives of assets

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

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 13. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Development costs

The Group capitalises costs for product development projects, related to Customer Relationship Management platforms, websites and mobile applications. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is demonstrated. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. See note 34 Share-based payments for further details.

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

Defined benefit pension plan

The present value of pension obligations are determined using the projected unit credit method. Actuarial valuation includes making various assumptions which consist of, among other things, discount rates, rates of compensation increases, disability rate and mortality rates. Actual results that differ from the Group's assumptions are recognised as actuarial gain/loss in other comprehensive income. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of the obligation, a defined benefit obligation is highly sensitive to changes in assumptions.

The Group measures defined benefit obligation on a basis that reflects estimated future salary increase that affect the benefits payable. Generally, the future salary incremental rate is determined based on the following inflation ranging from 9.05%- 10%. Discount rate is used to determine the present value of defined benefit obligation at valuation date. The discount rate is determined based on the Indonesian Government Bond Spot Rate at the end of reporting period in accordance with the estimated maturity of post-employment benefits obligations for the remaining of the working period of each employee.

While the Group believes that its assumptions are reasonable and appropriate, significant differences in the Group's actual experience or significant changes in its assumptions may materially affect the costs and obligations of pension and other long-term employee benefits. All assumptions are reviewed at each reporting date.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered The Group has several lease contracts that include extension and termination options.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).by an option to terminate the lease, if it is reasonably certain not to be exercised.

Refer to Note 12 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

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

Fair value

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of model inputs related to items such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. Refer to Note 23 for the inputs used to estimate the fair value of the Catcha Loan Facility.

4. Revenue

a. Disaggregation of revenue

In the following table, revenue is disaggregated by major products/services and primary geographical market.

	2020 $	2019 $
Segments		
Type of service		
Used Cars	9,257,272	8,982,954
New Cars	4,580,102	5,811,947
Total revenue from contracts with customers	13,837,374	14,794.901
Geographical markets		
Malaysia	6,607,364	7,473,635
Thailand	4,752,143	5,426,598
Indonesia	2,477,867	1,894,668
Total revenue from contracts with customers	**13,837,374**	**14,794,901**
Timing of revenue recognition		
Services transferred at a point in time:		
Used Cars	6,526,886	6,372,648
New Cars	80,900	650,037
Services transferred over time:		
Used Cars	2,730,386	2,610,307
New Cars	4,499,202	5,161,909
Total revenue from contracts with customers	**13,837,374**	**14,794,901**

4. Revenue (continued)

b. Other income

	Consolidated	
	2020	2019
	$	$
Rental income	218,373	46,397

Contract balances

The following table provides information about receivables, contract assets and contract liabilities with customers.

	Consolidated	
	2020	2019
	$	$
		Restated
Trade and receivables (Note 9)	1,333,412	1,022,422
Contract assets	181,025	197,808
Contract liabilities	1,702,295	1,838,120

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract assets are initially recognised for revenue earned from media services as receipt of consideration is conditional on successful completion of the services. Upon completion of the services, and invoice to the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities are upfront payments from customer for subscriptions and depth credits, both in the used car and new car market segments. The outstanding balances of these accounts only reduced marginally in 2020 despite the impact of COVID-19 that most customers adopted more conservative approach in managing the upfront payment for depth credit. Contract liabilities recorded as at 1 January 2020 has been recognised as revenue in full in the current year ($1,838,120).

As the Group's customer contracts have an original expected duration of one year or less, the Group has elected not to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied as of the end of the reporting period. There is no variable consideration in iCar's contracts with customers, therefore there is no consideration from contracts with customers that is not included in the transaction price.

4. Revenue (continued)

Performance obligations

Information about the Group's performance obligations are summarised below:

<u>Used Car</u>
Classifieds
(a) Subscription revenue - the performance obligation is satisfied on a straight line basis over time on the term of the subscription agreement contract.
(b) Depth credits revenue - performance obligation is satisfied upon the usage of depth credits.

Auction Commissions
Performance obligation is satisfied upon notification of 'car delivery' to the buyer by the seller.

Trading revenue
Customers (car sellers) sells the cars to iCar's directly and iCar will in turn sell to dealers. iCar holds the cars for a short period and makes a profit/loss on the difference between the purchase price from car sellers and selling price to dealers.

Other Commissions
(a) Warranty - performance obligation is satisfied upon acquisition of the customer contract for the principal.
(b) Inspection - performance obligation is satisfied upon acquisition of the customer contract for the principal.
(c) Private seller service - performance obligation is satisfied upon acquisition of the customer contract for the principal.

Carsentro
(a) Maintenance Fee – performance obligation is satisfied upon rendering of maintenance service to dealers
(b) Finance Partner Sponsorship - Carsentro Leasing Partner pay sponsorship fee upfront on every new sponsor period as their commitment. The sponsorship fee are divided into:
    - Fixed Sponsorship Fee - performance obligation is satisfied on a straight line basis over time on the term of the sponsorship agreement
    - Variable Sponsorship Fee - performance obligation is satisfied upon achievement of successful loan application to finance partner
(c) Finance Partner Loan Commission - performance obligation is satisfied upon achievement of successful loan application to finance partner

<u>New Car</u>

New Car Dealers
(a) Subscription revenue - the performance obligation is satisfied on a straight line basis over time on the term of the subscription agreement contract.
(b) Depth credits revenue - performance obligation is satisfied upon the credit is used by dealers to purchase lead packets.

Media
Performance obligation is satisfied over time on a straight line basis according to the proportion of the period of the campaign that has elapsed.

Events
Performance obligation is satisfied upon the event takes place. Where an event also includes media services, the performance obligation is satisfied upon services delivered to customers.

5. Segment information

Identification of reportable segments
The Group identifies the chief operating decision maker ('CODM') as the executive management team. Information reported to the executive management team for the purposes of resource allocation and assessment of performance is more specifically focused on the geographic location of services provided. Consistent with information presented for internal executive management reporting purposes, the result of each segment is measured based on earnings before interest, tax, depreciation and amortisation ('EBITDA').

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The company's reportable segments comprise Malaysia, Thailand and Indonesia. No operating segments have been aggregated to form the below reportable segments.

Intersegment transactions
Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Allocation of resources between segments
All assets are allocated to reportable segments except deferred tax assets as these are not recognised.
All liabilities are allocated to reportable segments except deferred tax liabilities.

Major customers
Revenue is generated from external customers. The Group does not have a major customer that contributes 10% or more to the Group's revenue.

5. Segment information (continued)

Operating segment information

Consolidated - 2020	Malaysia $	Indonesia $	Thailand $	Unallocated $	Total $
Revenue					
Revenues from external customers	6,607,364	2,477,867	4,752,143	-	13,837,374
Other income	-	218,373	-	-	218,373
Cost of Sales	(1,228,554)	-	-	-	(1,228,554)
Operating expenses	(3,792,232)	(4,579,325)	(4,418,005)	(6,443,975)	(19,233,537)
Profit/ (loss) before Interest, tax, depreciation and amortisation	1,586,578	(1,883,085)	334,138	(6,443,975)	(6,406,344)
Depreciation and amortisation	(225,903)	(548,109)	(616,432)	(2,365,562)	(3,756,006)
Interest income	10,989	466	27	3,850	15,332
Interest expense	(17,529)	(36,747)	(66,529)	(261,671)	(382,476)
Profit/(loss) before income tax expense	1,354,135	(2,467,475)	(348,796)	(9,067,358)	(10,529,494)
Income tax expense	-	-	-	(139,024)	(139,024)
Profit/(loss after income tax expense					(10,668,518)
Assets					
Segment assets	3,827,225	6,908,182	22,052,400	6,193,464	38,981,271
Total assets					38,981,271
Non-current assets[1]	2,528,424	4,360,325	20,842,003	4,938,063	32,668,815
Liabilities					
Segment liabilities	2,434,976	3,730,627	1,553,114	4,644,993	12,363,710
Total liabilities					12,363,710

[1] Carrying amount of non-current assets excludes financial instrument assets, deferred tax assets and defined benefit assets, of which the Group has none.

5. Segment information (continued)

Consolidated – 2019 (Restated)	Malaysia $	Indonesia $	Thailand $	Unallocated $	Total $
Revenue					
Revenues from external customers	7,473,635	1,894,668	5,426,598	-	14,794,901
Other income	-	46,397	-	-	46,397
Cost of Sales	(550,382)	-	-	-	(550,382)
Operating expenses	(5,368,528)	(3,328,728)	(5,246,194)	(7,084,631)	(21,028,081)
Loss before Interest, tax, depreciation and amortisation	1,554,725	(1,387,663)	180,404	(7,084,631)	(6,737,165)
Depreciation and amortisation	(240,303)	(175,613)	(596,297)	(2,493,765)	(3,505,978)
Interest income	15,875	452	149	84,888	101,364
Interest expense	(23,782)	(40,322)	(78,520)	(298,347)	(440,971)
Loss before income tax expense	1,306,515	(1,603,147)	(494,264)	(9,791,855)	(10,582,750)
Income tax expense	-	-	-	(203,807)	(203,807)
Loss after income tax expense					(10,786,557)
Assets					
Segment assets	5,134,184	7,746,261	24,875,284	10,081,315	47,837,044
Total assets					47,837,044
Non-current assets[1]	2,316,031	4,508,796	23,405,064	6,268,619	36,498,510
Liabilities					
Segment liabilities	2,001,523	4,577,134	2,109,450	1,950,666	10,638,773
Total liabilities					10,638,773

[1] Carrying amount of non-current assets excludes financial instrument assets, deferred tax assets and defined benefit assets, of which the Group has none.

6. Expenses

	Consolidated 2020 $	Consolidated 2019 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	124,640	90,626
Plant and equipment	186,625	233,720
Fixtures and fittings	26,839	19,503
Right of use assets	873,775	607,370
Total depreciation	1,211,879	951,219
Amortisation		
Websites, domain names, trademarks and other intangibles	2,544,127	2,554,759
Total depreciation, amortisation and impairment	3,756,006	3,505,978
Finance costs		
Interest - amortisation of Options	136,000	217,600
Interest and finance charges payable	115,388	61,667
Interest expense on lease liabilities	131,088	161,704
Total finance costs	382,476	440,971
Employment and related expenses		
Salaries and wages	6,692,886	7,593,905
Super and pension related	1,158,267	909,246
Commissions	785,624	567,030
Other employment benefits	749,283	756,067
Share based payments - equity settled	2,218,659	1,225,911
Incentives/Bonus	228,328	139,939
Total employment and related expenses	11,833,047	11,192,098

There are currently 394 full-time equivalent employees (2019: 413).

7. Income tax expense

Income tax recognised in profit or loss

	Consolidated	
	2020	2019
	$	$
Current tax		
Current tax expense in respect of the current year	117,589	145,794
Under/(Over) provision of prior year tax	21,435	58,013
	139,024	203,807
Deferred tax		
Deferred tax expense recognised in the current year	-	-
Total income tax expense/(benefit) recognised in the current year	139,024	203,807
The income tax expense for the year can be reconciled to the accounting loss as follows:		
Loss before tax from operations	(10,529,494)	(10,582,750)
Income tax expense calculated at 30% (2019: 30%)	(3,158,848)	(3,174,825)
Effect of different tax rates of subsidiaries operating in other jurisdictions	751,772	539,473
Deductible costs relating to share issue expenses	(88,338)	(132,954)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	2,634,438	2,972,113
	139,024	203,807
Unrecognised deferred tax asset	15,708,529	13,704,959

Deferred tax assets have not been recognised in respect of these losses as in the opinion of the directors the recovery of this benefit is uncertain as the subsidiaries to which the losses relate have been loss-making for some time, and there is no other evidence of recoverability in the near future. The tax losses are available for use subject to compliance with relevant tax rules, for offsetting against future taxable profits.

8. Current assets - cash, cash equivalents and investments

	Consolidated	
	2020	2019
	$	$
Cash at bank	1,999,800	4,285,476
Cash on deposit	165,997	2,547,828
Cash and cash equivalents	2,165,797	6,833,304

9. Current assets - trade and other receivables and contract assets

	Consolidated 2020 $	Consolidated 2019 $ Restated
Trade receivables	1,333,412	1,022,422
Contract assets	181,025	197,808
Accrued interest	-	992
	1,514,437	1,221,222
Allowance for expected credit losses	(101,454)	(19,134)
	1,412,983	1,202,088

The carrying amounts of trade receivable are assumed to approximate their fair value due to their short term nature.

Trade receivables are non-interest bearing and are generally on 30 to 90 days credit terms.

As at 31 December 2020, the Group has trade receivables of $1,333,412 (2019: $1,069,878) which is net of an allowance for expected credit losses of $101,454 (2019: $19,134). There have been no bad debt written off during the financial year end (2019: $43,604).

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	$
As at 1 January 2019	56,259
Provision for expected credit losses	6,479
Write-off	(43,604)
At 31 December 2019	19,134
Provision for expected credit losses	82,320
At 31 December 2020	101,454

As at 31 December, the ageing analysis of trade receivables is, as follows:

At 31 December 2020

	Days past due				
Trade Receivables	**<30 days**	**30-60 days**	**61-90 days**	**> 91 days**	**Total**
Total gross carrying amount at default	886,969	123,288	28,767	294,388	1,333,412
Expected credit loss	-	-	-	70,374	70,374

		Days past due				
	Current	**<30 days**	**30-60 days**	**61-90 days**	**> 91 days**	**Total**
Contract assets						
Total gross carrying amount at default	130,532	2,683	3,067	-	44,742	181,024
Expected credit loss	-	-	-	-	31,080	31,080

At 31 December 2019

	Days past due				
Trade Receivables	**<30 days**	**30-60 days**	**61-90 days**	**> 91 days**	**Total**
Total gross carrying amount at default	613,593	250,133	62,085	96,612	1,022,422
Expected credit loss	-	-	-	19,134	19,134

9. Current assets - trade and other receivables and contract assets (continued)

At 31 December 2019

		Days past due				
Contract assets	**Current**	**<30 days**	**30-60 days**	**61-90 days**	**> 91 days**	**Total**
Total gross carrying amount at default	136,277	17,936	4,403	1,288	37,904	197,808
Expected credit loss	-	-	-	-	-	-

Credit risk management practice
Customer credit risk is managed according to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on past payment trend. Outstanding customer receivables are regularly monitored.

10. Current assets – other

	Consolidated	
	2020	**2019**
	$	**$**
Prepayments	310,270	972,816
Other deposits	243,774	219,448
Other receivables	2,125,232	1,974,878
Deferred Expense for Catcha Options	54,400	136,000
	2,733,676	3,303,142

Other receivables relates to GST, VAT, withholding tax and other receivables.
Deferred expense for Catcha Options relates to fair value of options granted to Catcha Group Pte Ltd on establishment of the Loan Facility as disclosed in Note 23.

11. Non-current assets - property, plant and equipment

	Consolidated	
	2020	**2019**
	$	**$**
Leasehold improvements - at cost	788,818	816,315
Less: Accumulated depreciation and impairment	(421,809)	(429,620)
	367,009	386,695
Plant and equipment - at cost	2,150,590	2,378,657
Less: Accumulated depreciation and impairment	(2,014,825)	(2,087,247)
	135,765	291,410
Furniture and fittings - at cost	153,477	166,766
Less: Accumulated depreciation and impairment	(138,562)	(136,512)
	14,915	30,254
	517,689	708,359

11. Non-current assets - property, plant and equipment (continued)

Reconciliations

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

	Leasehold improvements $	Plant and equipment $	Furniture and fittings $	Total $
Consolidated				
Balance at 1 January 2019	193,189	421,885	43,902	658,976
Additions	5,953	79,805	3,678	89,436
Acquired from PT Car Classifieds Indonesia	251,193	-	-	251,193
Exchange differences	26,986	23,440	2,177	52,603
Depreciation expense	(90,626)	(233,720)	(19,503)	(343,849)
Balance at 31 December 2019	386,695	291,410	30,254	708,359
Additions	83,636	14,723	-	98,359
Exchange differences	21,318	16,257	11,500	49,075
Depreciation expense	(124,640)	(186,625)	(26,839)	(338,104)
Balance at 31 December 2020	367,009	135,765	14,915	517,689

12. Leases

Amount recognised in the statement of financial position and statement of comprehensive income

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

Right of Use	**Total $**
As at 1 January 2019	1,436,167
Addition during the year	65,385
Addition due to acquisition	149,758
Depreciation expense	(607,370)
Foreign currency translation difference	4,602
As at 31 December 2019	1,048,542
Addition during the year	1,361,868
Depreciation expense	(873,775)
Foreign currency translation difference	(35,000)
As at 31 December 2020	1,501,635

12. Leases

Amount recognised in the statement of financial position and statement of comprehensive income
Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

Lease Liabilities	Total $
As at 1 January 2019	1,111,219
Addition due to acquisition	147,695
Interest expense on lease liabilities	161,704
Payments	(653,530)
Foreign currency translation difference	236,990
As at 31 December 2019	1,004,078
Addition during the year	1,327,321
Interest expense on lease liabilities	131,088
Payments	(956,460)
Foreign currency translation difference	13,317
As at 31 December 2020	1,519,344
Current Liabilities	663,039
Non Current Liabilities	856,305

In addition to the depreciation expense and interest expense disclosed above, the Group recognised leases of low-value assets of $38,518 for the year ended 31 December 2020 (2019: $28,943).

The Group had total cash outflows for leases of $989,441 in 2020 (2019: $706,681).

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

There are no potential future rental payments relating to extension and termination options that are not included in the lease term.

There are no leases not yet commenced to which the Group is committed.

Group as a lessor
The Group has entered into operating leases with used car dealers operating at Carsentros. These leases have terms of between one and two years and the lease payments are variable in accordance with successful loan cases submitted by the used car dealers. Rental income recognised by the Group during the year is $218,373 (2019: $46,396).

13. Non-current assets- Intangibles and Goodwill

	Consolidated	
	2020	2019
	$	$
Goodwill - at cost	22,453,192	24,565,771
Other intangible assets - at cost	26,502,528	24,568,133
Less: Accumulated amortisation	(18,306,229)	(14,475,609)
	8,196,299	10,092,524
	30,649,491	34,658,295

Reconciliations

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

	Goodwill	Other intangibles acquired	Other intangibles Internally generated	Total
	$	$	$	$
Consolidated				
Balance at 1 January 2019	19,656,770	3,439,478	6,010,256	29,106,504
Additions	-	-	2,255,428	2,255,428
Additions from business combinations (restated*)	3,385,950	558,973	-	3,944,923
Exchange differences	1,523,051	219,448	163,700	1,906,199
Amortisation expense	-	(310,501)	(2,244,258)	(2,554,759)
Balance at 31 December 2019	24,565,771	3,907,398	6,185,126	34,658,295
Additions	-	-	1,934,395	1,934,395
Exchange differences	(2,112,579)	(378,345)	(908,148)	(3,399,072)
Amortisation expense	-	(311,145)	(2,232,982)	(2,544,127)
Balance at 31 December 2020	22,453,192	3,217,908	4,978,391	30,649,491

* The amount of goodwill and other intangibles are restated and do not correspond to the figures in 2019 financial statements following certain adjustments made to the previously provisionally accounted balances upon finalisation of the acquisition of PT Car Classifieds Indonesia as detailed in Note 18.

13. Non-current assets- Intangibles and Goodwill (continued)

Goodwill of $17,635,498 (2019: $19,291,063) and intangible assets with indefinite useful lives of $2,542,842 (2019: $2,781,556) are allocated to the Thailand cash generating unit ('CGU') after adjusting for foreign exchange rates at the balance sheet date.

Goodwill of $1,796,330 (2019: $1,933,604) is allocated to the Malaysian CGU after adjusting for foreign exchange rates at the balance sheet date.

Goodwill of $3,021,364 (2019: $3,341,104) and intangible assets with indefinite useful lives of $498,785 (2019: $551,570) are allocated to the PT Car Classifieds Indonesia CGU after adjusting for foreign exchange rates at the balance sheet date.

Other intangible assets:

	Consolidated	
	2020	**2019**
	$	**$**
Autospinn.com website (Thailand)	176,281	289,244
One2Car.com brand (Thailand)	2,542,842	2,781,556
One2Car.com customer base (Thailand)	-	285,028
PTCCI (Carmudi) brand (Indonesia)	498,785	551,570
Intangibles - Customer Relationship Management Platform	1,342,064	2,090,658
Intangibles - Websites and App development	3,560,244	3,998,412
Intangibles - Other	76,083	96,056
	8,196,299	10,092,524

Autospinn.com carrying value is amortised over 10 years. The life of the One2car.com brand is indefinite as it is the intention of the Group to always operate these brands due to its market reputation and high levels of unpaid online traffic. The One2car.com customer base intangible asset has a life of 6 years reflecting historical customer churn and has been fully amortised in the current year. Internally-generated intangible assets are amortised over 3-5 years. Amortisation rates are unchanged from the financial year ended 31 December 2019.

The life of the PTCCI (Carmudi) brand intangible asset is indefinite and consist of Carmudi.co.id website and Carsentro brand which are complementary with each other. It is the intention of the Group to always operate these brands due to their established market reputation among carmakers and dealers.

Impairment testing of goodwill and indefinite life intangibles

The Group performs its annual impairment test in December and when circumstances indicate that carrying values may be impaired. The valuations use cash flow projections based on financial budgets approved by the Board covering a 5 year forecast period, and a terminal value based upon an extrapolation of cash flows beyond the 5 year period using a constant growth rate. The cash flows are based on management's expectations regarding the Group's penetration of the used and new car markets, the continued migration of advertising spend from offline to online mediums and a strong ASEAN automotive advertising market. The discount rate applied reflects the current market assessment of the time value of money adjusted for a risk premium to reflect the risk of the specific cash generating units ("CGU"). Long term growth rates are set by country reflecting relative long-term GDP growth, consequent rise in car ownership and the Group's market leading positions.

13. Non-current assets- Intangibles and Goodwill (continued)

The Group also considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2020, the market capitalisation of the Group materially exceeded the book value of its equity and therefore was not an indicator of impairment. Notwithstanding these factors, the Group considers that the sensitivity of the Group's valuations to reasonably possible changes in assumptions is an indicator of impairment for the Group's CGUs in light of potential impact to the CGU's caused by COVID-19.

Since the onset of the unprecedented COVID-19 pandemic in March 2020, all countries that the Group operates in were subject to varying degrees of movement control. The situation has gradually improved starting from May 2020 after the relaxation of lockdown in all operating countries. Nevertheless, there is still a high degree of uncertainty especially on how quickly the business activities will recover to pre COVID-19 levels. Factors that will influence both the timing and rate of recovery include the following:

- Future government incentives (automotive industry specific and/or general incentives) that may stimulate demand for automotive;
- The specific COVID-19 situation in each of the country where the Government may impose varying degrees of restrictions on movement and the risk of further waves of infection outbreaks; and
- Timing of vaccine availability that may provide immediate lift to the economy as a whole.

The Group has assessed the situation in each country of operation and the cashflow projections reflect the best estimate of current and expected market conditions, including the impact of COVID-19, and is forecasting a gradual improvement in the Group's New Car and Used Car businesses into 2021, following the recovery in second half of 2020. The Group will continue to assess the impact to the business should the COVID-19 pandemic extend beyond current estimates and will update the appropriate assumptions for calculating the recoverable amounts as more clarity on the impact of COVID-19 is obtained. Key assumptions include:

- **Discount rate** – The pre-tax discount rate applied to the cash flows disclosed below for each CGU represents the current market assessment of the risk specific to the CGU, taking into consideration the time value of money and the individual risks of the underlying the assets that have not been incorporated into the cash flow estimates, including uncertainty associated with the forecast COVID-19 recovery. Further changes to the discount rate may be necessary in the future to reflect changing risks of the CGUs and changes in the weighted average cost of capital.

- **Revenue growth rate** – The revenue growth rates within the 5 year forecast period reflect management's growth strategy for each CGU. The long term growth rate varies by CGU, reflecting management's longer term expectations for the specific operating country. However, given the economic uncertainty, reductions in growth estimates may be necessary in the future.

Management have assessed various scenarios to consider the effect of changes in growth rates and discount rate to reflect, amongst other things, the range of potential outcomes associated with the COVID-19 recovery.

Variations to the key assumptions used to determine the recoverable amount would result in a change in the assessed recoverable amount. If the variation in assumptions has a negative impact on recoverable amount it could indicate a requirement for an impairment expense. Each of the sensitivities described below assumes that a specific assumption moves in isolation, while all other assumptions are held constant. A change in one assumption could be accompanied by a change in another assumption which may increase or decrease the net impact. In respect of the Indonesia CGU no reasonably possible changes in assumptions that would result in an impairment were identified by management.

13. Non-current assets- Intangibles and Goodwill (continued)

Malaysia CGU

The Group used the CGU's value in use to determine the recoverable amount, which exceeded the carrying amount. The projected cash flows were updated to reflect the 5 year plan assumptions and a pre-tax discount rate of 13.6% (2019: 14.2%) was applied. A long term growth rate of 3% (2019: 3%) was used to extrapolate year 5 cash flows.

Based on this assessment it was concluded that the recoverable amount of the Malaysian CGU is greater than the carrying value as at 31 December 2020.

Sensitivity Analysis

If in isolation the revenue growth rate decreased by 27% per annum over the 5 year forecast period, then the recoverable amount would be equal to the carrying amount of the Malaysian CGU at 31 December 2020. A decrease in the long term growth by 0.5% would result in a decrease in the recoverable amount of $2.0m. An increase in the discount rate of 1.0% would result in a decrease in the recoverable amount of $4.7m. This would not result in an impairment. No other reasonably possible changes in key assumptions that would result in an impairment were identified by management.

Thailand CGU

The Group used the CGU’s value-in-use valuation to determine the recoverable amount, which exceeded the carrying amount. The projected cash flows were updated to reflect the 5 year plan assumptions and a pre-tax discount rate of 12.7% (2019: 13.2%) was applied. A long term growth rate of 3% (2019: 3%) was used to extrapolate year 5 cash flows.

Based on this assessment it was concluded that the recoverable amount of the Thailand CGU is greater than the carrying value as at 31 December 2020.

Sensitivity Analysis

Considering the significant carrying amount of the Thailand CGU and the sensitivity of the recoverable amount to revenue growth assumptions, the Group assessed the impact of various revenue growth scenarios on the value in use valuation by varying the revenue growth assumptions in the 5 year forecast period. This scenario analysis was performed using the Group’s understanding of the current situation in Thailand, both on macro economy level as well as trajectory of Thailand’s automotive industry following the relaxation of COVID-19 lockdown restrictions. . In all these scenarios, the recoverable amount is greater than its carrying value. If in isolation the revenue growth rate decreased by 14% per annum over the 5 year forecast period, then the recoverable amount would be equal to the carrying amount of the Thailand CGU at 31 December 2020.

A decrease in the long term growth by 0.5% would result in a decrease in the recoverable amount of $1.6m. An increase in the discount rate of 1.0% would result in a decrease in the recoverable amount of $3.7m. This would not result in an impairment. No other reasonably possible changes in assumptions that would result in an impairment were identified by management.

13. Non-current assets- Intangibles and Goodwill (continued)

PT CCI (Carmudi) CGU

The Group used the CGU's fair value less costs of disposal valuation to determine the recoverable amount, which exceeded the carrying amount. The projected cash flows were updated to reflect the 5 year plan assumptions and a pre-tax discount rate of 18.1% (2019: 16.8%) was applied. A long term growth rate of 5% (2019: 5%) was used to extrapolate year 5 cash flows.

Based on this assessment it was concluded that the recoverable amount of the PT CCI (Carmudi) CGU is greater than the carrying value as at 31 December 2020.

Sensitivity analysis

If in isolation the revenue growth rate decreased by 20% per annum over the 5 year forecast period, then the recoverable amount would be equal to the carrying amount of the PTCCI CGU at 31 December 2020. A decrease in the long term growth by 0.5% would result in a decrease in the recoverable amount of $0.7m. An increase in the discount rate of 1.0% would result in a decrease in the recoverable amount of $1.5m. This would not result in an impairment. No other reasonably possible changes in key assumptions that would result in an impairment were identified by management.

14. Current liabilities - trade and other payables

	Consolidated	
	2020	2019
	$	$
Trade payables and accruals	3,471,486	3,886,286

Refer to note 24 for further information on financial instruments.

The average credit period on purchases is normally 30 to 60 days. No interest is payable on trade payables. The consolidated entity has financial risk management in place to ensure that all payables are paid within the credit time frame.

15. Current liabilities – provisions

	Consolidated	
	2020	2019
	$	$
Employee benefits	164,080	127,338
Staff incentives and bonuses	859,238	762,763
Other	369,503	411,679
	1,392,821	1,301,780

The employee benefits category is composed of the compensated annual leave provision for the year. The 2020 carried forward balance is expected to be utilised by March 2021 in line with company leave policies.

The staff incentives and bonuses provision is expected to be paid to employees in 2021.

15. Current liabilities – provisions (continued)

The other provision category are provisions for withholding and VAT taxes.

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

	Employee Benefits $	Staff incentives & bonuses $	Other $
Consolidated - 2020			
Carrying amount at the start of the year	127,338	762,763	411,679
Additional provisions recognised / foreign exchange differences	366,923	1,570,911	102,037
Amounts used	(330,181)	(1,474,436)	(144,21)
Carrying amount at the end of the year	164,080	859,238	369,503

16. Other Current liabilities

	Consolidated 2020 $	Consolidated 2019 $
Indirect Taxes	797,972	832,401
Deferred Consideration Carmudi Indonesia	824,374	911,614
	1,622,346	1,744,015

The deferred consideration relates to the acquisition of PT Car Classifieds Indonesia (Carmudi). The amount is expected to be paid upon finalization of warranty claim with the vendors of Carmudi in 2021.

17. Non-current liabilities – Provisions

In Indonesia, the Group provides for its employees who reach the retirement age of 55 years based on the requirements of Indonesia Labour Law No. 13/2003. The below provision includes PT Car Classifieds Indonesia. The benefits are unfunded.

Net employee defined benefit liabilities

	2020 $	2019 $
Indonesian pension plan- PT Mobil Satu Asia	554,977	511,488
Indonesian pension plan- PT Car Classifieds Indonesia	275,039	231,661
Net employee defined benefit liabilities	830,016	743,149

The following table summarises the components of the net benefit expense recognised in the statement of profit or loss and amounts recognised in the statement of financial position for the respective years.

17. Non-current liabilities – Provisions (continued)

Net benefit expense (recognised in profit or loss)

	Consolidated	
	2020	**2019**
	$	**$**
Current service cost	256,028	348,659
Interest cost on net benefit obligation	56,406	37,762
Net benefit expense	312,434	386,421

Changes in the present value of the defined benefit obligation

	$
Defined benefit obligation at 1 January 2019	416,677
Interest cost	38,511
Current service cost	348,659
Benefits paid	-
Remeasurement (gains)/losses)*	(82,265)
Exchange differences	21,568
Defined benefit obligation at 31 December 2019	743,150
Interest cost	57,077
Current service cost	256,028
Benefits paid	-
Remeasurement (gains)/losses)*	(155,121)
Exchange differences	(71,118)
Defined benefit obligation at 31 December 2020	830,016

* Includes experience adjustments and actuarial changes arising from changes in financial assumptions.

Principal assumptions in determining pension obligations

The principal assumptions used in determining pension obligations for the Group’s plans are shown below:

	2020	**2019**
Discount rate (%)	7.82%	8.19%
Future salary increase (%)	9.05- 10.00%	9.00- 9.25%
Pension age (years)	55 years	55 years
Mortality rate	TMI (2019)	TMI (2011)
Disability rate	10% from mortality rate	10% from mortality rate

17. Non-current liabilities – Provisions (continued)

A quantitative sensitivity analysis for significant assumptions as at 31 December is, as shown below:

	Impact on defined present value of benefit obligation	
	2020	**2019**
	$	**$**
Discount rate		
1% increase	721,866	641,064
1% decrease	974,664	877,685
Future salary cost increase		
1% increase	973,290	877,558
1% decrease	720,522	638,976

The sensitivity analysis has been determined based on a method that extrapolates the impact on the defined benefit obligation as a relist of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis are based on a change in significant assumptions, keeping all other assumptions constant. The sensitivity analysis may not be a representation of an actual change in the defined benefit obligations as it is unlikely that changes in assumptions would occur in isolation from one another. No payments are expected to be made for the next annual reporting period.

The Group recognises remeasurement gains and losses arising on defined benefit pension plans in OCI in accordance with AASB 119 Employee Benefits. As they will never be reclassified into profit or loss, they are immediately recorded in retained earnings, amounting to $155,121.

18. Business combinations

Acquisition of Carmudi Indonesia

On 10 November 2019, the Group acquired 100% of the ordinary shares of Carmudi, a non-listed company based in Indonesia and a well-established advertising and lead generation business servicing leading car manufacturers in Indonesia. With this combined audience and iCar Asia's existing New Car businesses, this is expected to create an even more powerful advertising platform for the Indonesian Automotive Industry. The acquisition has been accounted for using the acquisition method.

The acquisition accounting, which was provisional as at 31 December 2019, has now been finalized with a reduction in trade, other receivables and contract assets of $48,154, the recognition of a brand name intangible asset with a value of $558,973, and a deferred tax liability of $122,974. Deferred consideration reduced from $1,476,189 to $923,850 due to certain vendor warranty claims.

The net identifiable assets acquired are finalised as below:

	Fair value recognised on acquisition $
Assets	
Property, plant and equipment	273,812
Right of Use Assets	149,758
Intangibles - brand name	558,973
Cash and cash equivalents	121,020
Trade and other receivables and contract assets	584,461
Other assets	522,752
	2,210,776
Current Liabilities	
Trade and other payables	824,118
Contract liabilities	239,820
Other current liabilities	844,663
	1,908,601
Non Current Liabilities	
Non Current Lease Liabilities	139,331
Deferred tax liability	122,974
Other Non Current Liabilities	215,351
	477,656
Total identifiable net liabilities at fair value	**(175,481)**

18. Business combinations (continued)

	Fair value recognised on acquisition $
Goodwill arising on acquisition	3,385,950
Total identifiable net assets at fair value	(175,481)
Purchase consideration transferred	**3,210,469**

The fair value of the trade receivables amounts to $584,461. Acquisition related costs amounted to $87,693 and were included in administration and related expenses in the Statement of Comprehensive Income in FY2019.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to market terms.

The brand name intangible asset acquired relates to the Carmudi Carsentro brand which was assessed using “Relief from Royalty” method using a weighted average discount rate of 20% and a terminal multiple of 7 on a 5 year cashflow model.

The goodwill of $3,385,950 arising from the acquisition is attributable to the synergies and economies of scale expected from combining the business operations. None of the goodwill recognised is expected to be deductible for income tax purpose.

Of the total purchase consideration of $3,210,469, an amount of $923,850 was deferred. The value of the deferred consideration after foreign currency translation is $824,374 as at 31 December 2020 (refer Note 16).

19. Equity - issued capital

	Consolidated		Consolidated	
	2020 Shares	2019 Shares	2020 $	2019 $
Ordinary shares - fully paid	433,648,303	424,429,921	134,170,159	132,051,813

Movements in ordinary share capital

Details	Date	No of shares	$
Balance	31 December 2018	382,661,158	123,656,458
Issue of shares - LTI to employees	26 February 2019	1,714,938	394,589
Issue of shares - Share options	3 May 2019	1,206	241
Issue of shares - Share options	7 May 2019	2,518	504
Issue of shares - Share options	8 May 2019	2,068	414
Issue of shares - Share options	9 May 2019	25,090	5,018
Issue of shares - Share options	13 May 2019	14,500	2,900
Issue of shares - Share options	14 May 2019	39,064	7,813
Issue of shares - Share options	15 May 2019	87,437	17,487
Issue of shares - Share options	16 May 2019	222,138	44,428
Issue of shares - Share options	17 May 2019	126,821	25,364

19. Equity - issued capital (continued)

Details	Date	No of shares	$
Issue of shares - Share options	20 May 2019	118,778	23,756
Issue of shares - Share options	21 May 2019	853,071	170,614
Issue of shares - Share options	22 May 2019	34,626	6,925
Issue of shares - Share options	23 May 2019	43,899	8,780
Issue of shares - Share options	24 May 2019	781,825	156,365
Issue of shares - Share options	27 May 2019	160,203	32,041
Issue of shares - Share options	28 May 2019	160,279	32,056
Issue of shares - Share options	29 May 2019	421,593	84,319
Issue of shares - Share options	30 May 2019	58,216	11,643
Issue of shares - Share options	31 May 2019	366,380	73,276
Issue of shares - Share options	3 June 2019	104,311	20,862
Issue of shares - Share options	4 June 2019	153,791	30,758
Issue of shares - Share options	5 June 2019	32,288	6,458
Issue of shares - Directors remuneration 2018 year	5 June 2019	1,654,510	360,000
Issue of shares - Staff pool	5 June 2019	27,000	6,014
Issue of shares - Share options	6 June 2019	4,482	896
Issue of shares - Share options	7 June 2019	14,260,301	2,852,060
Issue of shares - Share options	11 June 2019	8,901,722	1,780,344
Issue of shares - Share options	12 June 2019	10,195,191	2,039,038
Issue of shares - Share options	13 June 2019	1,200,517	240,103
Share issue costs			(39,710)
Balance	31 December 2019	424,429,921	132,051,814
Issue of shares - LTI to employees	1 April 2020	628,952	140,884
Issue of shares - LTI/base salary to employees	5 June 2020	2,286,063	520,200
Issue of shares - Directors remuneration 2019 year	5 June 2020	1,227,701	275,000
Issue of shares - Employee Incentive Plan	31 August 2020	737,884	215,254
Issue of shares - Employee Incentive Plan	4 September 2020	48,000	14,640
Issue of shares - Employee Incentive Plan	9 November 2020	512,005	223,372
Issue of shares - Catcha Group Pte Ltd	11 November 2020	2,500,000	500,000
Issue of shares - Catcha Group Pte Ltd	11 December 2020	1,277,777	255,555
Share issue costs			(26,560)
	31 December 2020	433,648,303	134,170,159

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

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

19. Equity - issued capital (continued)

Capital risk management
The Group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity balance.

The Group's capital risk management policy remains unchanged from the 31 December 2019 Annual Report. The capital structure of the Group includes equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. The group operates in various countries, primarily through subsidiary companies established in the markets in which the group operates.

The Group has sufficient cash to fund operating cash flows to maintain its current level of operations as well as to make the routine outflows of tax and the payment of any earn outs under contract. The Group is not subject to any externally imposed capital requirements.

20. Equity – reserves

	Consolidated 2020 $	Consolidated 2019 $
Foreign currency translation reserve	324,347	3,797,316
Share-based payments reserve	3,766,399	2,907,110
Equity reserves	(10,655,843)	(10,965,292)
	(6,565,097)	(4,260,866)

Consolidated	Foreign currency translation reserve $	Share-based payments reserve[1] $	Equity reserves[2] $	Total $
Balance at 1 January 2019	2,324,146	1,848,782	(10,965,292)	(6,792,364)
Foreign currency translation	1,473,170	-	-	1,473,170
Shares issued during the year	-	(760,603)	-	(760,603)
Shares to be issued in lieu of directors remuneration	-	275,000	-	275,000
Executive variable remuneration	-	1,135,931	-	1,135,931
Catcha options	-	408,000	-	408,000

20. Equity – reserves (continued)

	Foreign currency translation reserve $	Share-based payments reserve[1] $	Equity reserves[2] $	Total $
Consolidated				
Balance at 31 December 2019	3,797,316	2,907,110	(10,965,292)	(4,260,866)
Foreign currency translation	(3,472,969)	-	-	(3,472,969)
Shares issued during the year	-	(1,389,351)	-	(1,389,351)
Shares to be issued in lieu of directors remuneration	-	338,000	-	338,000
Executive variable remuneration		1,910,640	-	1,910,640
Catcha options[3]	-	-	309,449	309,449
Balance at 31 December 2020	324,347	3,766,399	(10,655,843)	(6,565,097)

[1]The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 34 for further details of these plans.
[2]Includes $10,965,292 for the excess paid for the acquisition of Auto Discounts Sdn Bhd (now iCar Asia Sdn Bhd) as a common control transaction using the pooling of interest method. This balance is not revalued and will not reverse in the future.
[3]This relates to options issued on drawdown amount from borrowing from Catcha Group Pte Ltd as disclosed in Note 23.

21. Equity - accumulated losses

	Consolidated 2020 $	Consolidated 2019 $
Accumulated	(90,318,983)	(79,806,119)
Loss after income tax expense for the year	(10,668,518)	(10,786,557)
Accumulated losses at the end of the financial year	(100,987,501)	(90,592,676)

22. Equity – dividends

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

No franking credits are available for use in the subsequent financial year as no income tax has been paid in Australia in the current or previous financial years.

23. Borrowings

The Group entered into a $5.0 million loan facility ('Facility') with Catcha Group Pte Ltd in November 2017. The Facility is secured by a first ranking security over all the assets of the Group in favour of Catcha Group Pte Ltd under a General Security Agreement. As at 31 December 2020, the carrying value of the financial liability under the Facility is $1,715,669 (2019: nil).

Key terms of the Facility include:

- An interest rate of 12% per annum which has been amended to interest free on 9 October 2020 by way of an amendment deed.
- A maturity date of 3 years to 30 June 2021, subsequently extended by Catcha Group Pte Ltd to 30 June 2023 on 16 February 2021 by way of an amendment deed as disclosed below.
- A commitment fee of 3% on the $5.0 million loan amount, payable upon commencement and a commitment fee of 2% per annum on the undrawn balance of the loan, which starts accruing once the Company draws on the loan. During the current financial year, the Group has recognised a total of commitment fees $90,833 which remains unpaid at 31 December 2020.
- Draw down was subject to shareholder approval (obtained at the Company's 2018 annual general meeting on 25 May 2018) of the issue of 3,777,777 unlisted options over shares to be granted to Catcha Group Pte Ltd (at an exercise price of $0.20 each). Catcha Group Pte Ltd exercised 3,777,777 unlisted option on 13 November 2020.
- Issuance of 7,555,553 unlisted option over shares to Catcha Group Pte Ltd upon the first drawdown of the Facility (at exercise price of $0.20 each). Upon the first draw down on 30 October 2020, 7,555,553 unlisted option were issued to Catcha Group Pte Ltd. These remain unexercised as at 31 December 2020.
- Customary financial and operational undertakings by the Company, including relating to reporting and maintenance of assets.

The General Security Agreement provides that in the event the security is exercised, neither Catcha Group Pte Ltd or any of its associates are entitled to acquire the assets of the Group without the Group first complying with any applicable ASX Listing Rules, including ASX Listing Rule 10.1.

The amortisation of options issued on establishing the loan facility for the period ended 31 December 2020 is $136,000 (31 December 2019: $217,600). The options issued in connection with the drawdown of the loan facility have been recorded as an equity transaction in the Equity Reserve. Refer to Note 20 for details.

As disclosed in Note 31, on 16 February 2021 and 25 February 2021 the Group entered into amendment deeds with Catcha Group Pte Ltd to increase the limit of the Facility by $10 million to $15 million, to extend the maturity of the facility from June 2021 to June 2023 and to amend certain financial covenants with effect from 1 April 2021. The key terms of the amended facility, in addition to those disclosed above include:

- An interest rate of 12% per annum on the additional facility of $10 million.
- Draw-downs under the Catcha Loan Facility are capped at $1m in any one particular month unless this limit is amended by mutual agreement.
- As at the date of delivery of funding the cash balance of the Group must be below $1m.

In the event that cash on hand at the end of the two consecutive quarters is below 75% of the Board approved budgeted cash for the head company (iCar Asia Limited) this constitutes an event of default under the facility agreement. However, Catcha Group Pte Ltd cannot prohibit the Company from drawing down funds under the facility to ensure that an event of default does not occur or subsist under the facility agreement if this is otherwise the only event of default.

23. Borrowings (continued)

During the financial year, the cash on hand of Company at the end of each quarter was below 75% of the Board approved budgeted cash balance. This constitutes an event of default under the facility however Catcha Group Pte Ltd did not declare for this event of default. As disclosed above, the Group and Catcha Group Pte Ltd had entered into amended deeds on 25 February 2021 to amend certain financial covenants that Catcha Group Pte Ltd cannot prohibit the Company from drawing down funds under the facility to ensure that an event of default does not occur or subsist under the facility agreement if this is otherwise the only event of default.

24. Financial instruments

Financial risk management objectives

The group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Foreign currency risk
The group is mainly exposed to Malaysian Ringgit (MYR), Indonesian Rupiah (IDR) and Thai Baht (THB) as a result of the operation of its subsidiaries in those markets. Foreign currency risk arises when future commercial transactions and recognised financial assets and liabilities are denominated in a currency that is not the entity's functional currency. As there is no material exposure to foreign currency risk within the financial assets and financial liabilities outside of each operating entity's functional currency, no sensitivity analysis has been prepared.

Interest rate risk
The group's exposure to interest rate risk is limited to the movement in interest rates in terms of its cash held at bank.

	2020		2019	
	Weighted average interest rate	**Balance**	**Weighted average interest rate**	**Balance**
	%	**$**	**%**	**$**
Consolidated				
Cash at bank	0.63%	2,165,797	1.16%	6,833,304
Net exposure to cash flow interest rate risk		2,165,797		6,833,304

24. Financial instruments (continued)

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

	Basis points increase			Basis points decrease		
Consolidated - 2020	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Cash at bank	50	12,160	-	50	(12,160)	-

	Basis points increase			Basis points decrease		
Consolidated - 2019	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Cash at bank	50	43,623	-	50	(43,623)	-

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of generally dealing with reputable counterparties as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers and ongoing credit evaluation is performed on the accounts regularly. The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties. The carrying amount of financial assets recorded in the financial statements, net of any allowance for expected credit losses, represents the group's maximum exposure to credit risk. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

Liquidity risk
Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the group's short, medium and long- term funding and liquidity management requirements. The group manages liquidity by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets with financial liabilities.

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

24. Financial instruments (continued)

Consolidated - 2020	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables and accruals		3,471,486	-	-	-	3,471,486
Lease liabilities		803,517	667,942	258,032	3,474	1,732,965
Deferred Consideration		824,374	-	-	-	824,374
Borrowings		2,000,000	-	-	-	2,000,000
Total non-derivatives		7,099,377	667,942	258,032	3,474	8,028,824

Consolidated - 2019	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables and accruals		3,886,285	-	-	-	3,886,285
Lease liabilities		513,255	490,823	-	-	1,004,078
Deferred Consideration		911,614	-	-	-	911,614
Total non-derivatives		5,311,154	832,760	-	-	5,801,977

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above. Changes in liabilities arising from financing activities:

	1-Jan-20	Cash Flow	Foreign Exchange Movement	Additions	Others	31-Dec-20
	$	$	$	$		$
Borrowings	-	-	-	-	2,000,000	2,000,000
Current Lease Liabilities	513,255	(956,460)	237,320	868,925	-	663,040
Non Current Lease Liabilities	490,823	-	(224,002)	589,484	-	856,305
	1,004,078	(956,460)	13,318	1,458,409	-	1,519,345

	1-Jan-19	Cash Flow	Foreign Exchange Movement	New Lease	31-Dec-19
	$	$	$	$	$
Current Lease Liabilities	991,505	(650,350)	138,680	33,420	513,255
Non Current Lease Liabilities	386,677	-	59,865	44,281	490,823
	1,378,182	(650,350)	198,545	77,701	1,004,078

24. Financial instruments (continued)

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

25. Key management personnel disclosures

Directors

The following persons were directors of the Group during the financial year:

Georg Chmiel	Executive Chairman
Patrick Grove	Non-executive
Lucas Elliott	Non-executive
Syed Khalil Ibrahim	Non-executive
Peter Everingham	Non-executive
Richard Kuo	Non-executive
Hamish Stone	Managing Director and Chief Executive Officer

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

Yee Chin Beng	Chief Financial Officer
Kjetil Hellebo Rohde Jakobsen	Chief Information Officer
Jonathan Adams	Chief Marketing Officer

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below and are the amounts recognised as an expense in the reporting period.

	Consolidated	
	2020	**2019**
	$	**$**
Short-term employee benefits	1,197,679	1,437,331
Share-based payments	1,913,204	1,296,406
	3,110,883	2,743,737

Share-based payments refer to short-term, long term incentives, share appreciation rights under the Long Term Value Creation award and share options for key management personnel and director remuneration. See the Remuneration Report for further information.

26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the company:

	Consolidated 2020 $	Consolidated 2019 $
Category 1		
Fees to the group auditor for:		
(i) auditing the statutory financial report of the parent covering the group;	195,700	174,700
(ii) auditing the statutory financial reports of any controlled entities;	125,999	90,500
Category 4		
Fees for other services - tax compliance	8,805	4,517
	330,504	269,717

27. Contingent liabilities

There are various claims that arise in the ordinary course of business against the Group and its subsidiaries. The amounts of any liability (if any) at 31 December 2020 cannot be ascertained and the Group believes that any resulting liability would not materially affect the position of the group.

28. Related party transactions

Parent entity
iCar Asia Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 30.

Key management personnel
Disclosures relating to key management personnel are set out in the Remuneration Report in the Directors' Report.

Transactions with related parties
During the year, the Group has recognised interest charges of $90,833 for the commitment fee related to the finance facility from Catcha Group Pte Ltd (a major shareholder in iCar Asia Limited) and options amortisation of $136,000. Refer to Note 23 for further details. The accrued commitment fee remains unpaid at 31 December 2020.

7,555,553 unlisted options were issued to Catcha Group Pte Ltd on 30 October 2020 in connection with the drawdown of a finance facility, at an exercise price of $0.20 each which remains unexercised as of 31 December 2020. The expiry date of these options is 30 October 2023. Refer to Note 23 for more information.

Receivable from and payable to related parties
At 31 December 2020, there was a payable to Redbook (Automated Data Services Pty Ltd, an 100% subsidiary of carsales.com Ltd- a major shareholder in iCar Asia Limited at that time) for $1,300 in relation to services. The transaction was on normal commercial terms.

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

Loans to/from related parties
The Group has entered into a loan facility with Catch Group Pte Ltd. Refer to Note 23 for more information.

29. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2020	**2019**
	$	**$**
Loss after income tax	(2,887,411)	(2,543,341)
Total comprehensive income	(2,887,411)	(2,543,341)

Significant accounting policies

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

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

Statement of financial position

	Parent	
	2020	**2019**
	$	**$**
Total current assets	104,899	2,738,207
Total assets	66,041,268	66,223,155
Total current liabilities	475,560	1,955,889
Total liabilities	376,084	1,955,889
Net Assets	65,6665,184	64,267,266
Equity		
Issued capital	134,357,331	132,462,357
Reserves	4,121,631	1,761,276
Accumulated losses	(72,843,778)	(69,956,367)
Total equity	65,665,184	64,267,266

The parent entity has no contingent liabilities or contractual commitments for the acquisition of property, plant & equipment. The parent entity has not entered into any guarantees in relation to the debts of its subsidiaries.

30. Subsidiaries

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

		Equity holding	
	Country of	2020	2019
Name of entity	**incorporation**	**%**	**%**
iCar Asia Pte Ltd	Singapore	100	100
iCar Asia Management Services Sdn Bhd	Malaysia	100	100
Netyield Sdn Bhd	Malaysia	100	100
iCar Asia Sdn Bhd	Malaysia	100	100
PT Mobil Satu Asia	Indonesia	100	100
iCar Asia (Thailand) Limited *	Thailand	100	100
O2C Holdings (Thailand) Co. Ltd	Thailand	100	100
Perfect Scenery Ventures Limited	British Virgin Islands	100	100
One2Car Co., Ltd	Thailand	100	100
PT Car Classifieds Indonesia	Indonesia	100	100

*Group holds an economic interest of 100% with a nominee Thai shareholder holding an interest in the company on behalf of the Group.

31. Events after the reporting period

To provide further flexibility for its funding requirements the Group has agreed a further debt facility of $10m with Catcha Group Pte Ltd on 16 February 2021 and further amendment to certain financial covenants on 25 February 2021. This debt facility of $10m will have an interest rate of 12% per annum on any drawn down amount, a loan expiry date of 30 June 2023, and no origination fees or warranties. The facility allows the Group to begin drawing down funds from 1 April 2021 should the funds be required. Prior to this date a survey of other debt facility providers in the market will be carried out. Should a more cost-effective facility or more favourable financing be found, this will be put in place by the Company with no penalties for the termination of this facility.

No other matters or circumstance have arisen since 31 December 2020 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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

	Consolidated 2020 $	Consolidated 2019 $
Loss after income tax expense for the year	(10,668,518)	(10,786,557)
Adjustments for:		
Depreciation, amortisation and impairment	3,756,006	3,505,978
Equity settled employee benefit	2,248,659	1,225,911
Doubtful debts expense	82,320	6,479
Employment costs capitalised	(1,353,932)	(1,263,545)
Interest paid	(131,088)	(147,695)
Exchange differences on translation of FX	1,034,592	277,923
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(210,894)	137,946
(Increase)/decrease in other assets	116,372	(691,909)
Increase/(decrease) in trade and other payables	(726,678)	2,317,163
Increase/(decrease) in provisions	346,966	(944,908)
Net cash used in operating activities	(5,506,195)	(6,363,214)

33. Earnings per share

	Consolidated 2020 $	Consolidated 2019 $
Loss after income tax attributable to the owners of iCar Asia Limited and Controlled Entities	(10,668,518)	(10,786,557)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	428,487,129	406,827,498
Weighted average number of ordinary shares used in calculating diluted earnings per share	428,487,129	406,827,498
	Cents	Cents
Basic loss per share	(2.49)	(2.65)
Diluted loss per share	(2.49)	(2.65)

Options and contingently issuable shares in relation to KMP remuneration would have adjusted the weighted average number of ordinary shares used in the calculation of diluted loss per share, however they have not been used in the calculation because they are anti-dilutive to the periods presented. Details of the options and contingently issuable shares are contained in Note 34 Share-based payments.

34. Share-based payments

Executive variable remuneration

Long term incentive plan (LTI)

The Group has established a long term incentive plan (referred to hereafter as the 'Plan'). The Plan is part of the Group's remuneration strategy and is designed to align the interests of management and shareholders and assist the Group in the attraction, motivation and retention of executives. In particular, the Plan is designed to provide relevant executives with an incentive for future performance and encouraging those executives to remain with the Group. LTI payments are made to participating key employees depending on the extent to which specific targets set at the beginning of the plan are met. The targets relate to the earnings of the company, achievement of other KPIs aligned to the individual's specific business function and staff remaining in employment. During the year all new key employees participated in the LTI only.

The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The Group does not have a past practice of cash settlement for these awards. The details of LTI terms and targets can be found under Section C Service agreements in Remuneration Report.

Options plan

With the same objective of the LTI Plan, certain recent key employees have been awarded iCar Asia Limited share options. The details can be found in Section C Service agreements in the Remuneration Report.

During the year, options granted to certain key management personnel have been replaced by a new share appreciation scheme as detailed later in this report.

Long Term Value Creation (LTVC)

The Group has established the long term value creation scheme (referred to hereafter as 'LTVC'). The purpose of the LTVC scheme is to reward the value creation developed by the executives in driving growth in the business. The existing LTVC scheme is based on exceeding a specified share price hurdle of $0.30 in any of the three observation periods (2018, 2019 and 2020). During the current year, new entrants were granted admission to the LTVC scheme, in which the share price hurdle is $0.495 for the 2020 observation period. The entitlement will be paid in shares in iCar Asia Limited and the number of entitlements will be based on the Volume Weighted Average Price of the Group's share price exceeding the baseline share price of $0.18 in the December of the relevant observation period ($0.375 for new entrants). Each executive will receive a share of the value created, which is calculated as the excess of the share price hurdle to the baseline share price multiplied by the number of shares on issue at the end of the relevant observation period. During the period, certain Key Management Personnel were granted an increase in their existing share of the value created, representing a modification of their existing awards.

The entitlements also contain vesting conditions based on a required service period for each observation period end and vest 60% in the January following the observation period and 40% in the January twelve months thereafter.

The key inputs and assumptions, grant date fair value and current year amortisation expense of the LTVC award are contained in Section D Share-based compensation.

34. Share-based payments (continued)

Executive variable remuneration (continued)

The following table list the key inputs and assumptions to the model used to calculate the grant date fair value of the LTVC award were:

	LTVC (Existing)	LTVC (New Entrants)
Share price hurdle	$0.300	$0.495
Baseline share price	$0.180	$0.375
Dividend yield	0%	0%
Expected volatility	69%	69%
Risk-free interest rate	2.20%	2.20%
Model used	Monte Carlo	Monte Carlo

On 20 February 2020, the share of value creation for Chief Executive Officer and Chief Financial Officer was increased to 1.35% (1.25% in 2019) and 0.40% (0.30% in 2019) respectively. The difference in the fair value of $93,658 arising from these changes have been recognised as an expense over the remaining vesting period. These modified awards were calculated using the same assumptions and model as the new entrant described in the table above.

The table below discloses the accounting amortisation of the LTVC Scheme in financial statements for the year ended 31 December 2020 relating to key management personnel. The table also discloses the total grant date fair value of the LTVC awarded to each key management personnel. The amortisation value is based on the fair value of the LTVC Scheme at grant date. The LTVC Scheme entitlements is based on exceeding a specified share price hurdle in any of the three observation periods (2018, 2019 and 2020).

The number of shares awarded under the LTVC scheme for the 2019 observation period was 3,415,865 of which 2,049,519 (representing 60%) vested on 31 January 2020. Out of the remaining 40% of LTVC scheme for 2019, 1,261,242 vested on 31 January 2021, while 105,104 were cancelled as one of the key management personnel was no longer in service at the time of vesting.

For the December 2020 observation period, the volume weighted average price exceeded the specified share price hurdle. The number of shares awarded under the LTVC scheme for 2020 was 1,348,654 of which 809,192 (representing 60%) vested on 31 January 2021. The remaining 40% are due to vest on 31 January 2022 provided the key management personnel remains in service.

34. Share-based payments (continued)

Executive variable remuneration (continued)

The table below discloses the incremental value of the LTVC to the additional incentives and options replacement:

Key management personnel	Share of value creation	Amortisation in 2020 $	Grant date fair value $
H Stone Chief Executive Officer	1.35%	184,791	981,755
Yee Chin Beng Chief Financial Officer	0.40%	55,562	68,904
K Jakobsen Chief Information Officer	0.25%	86,721	119,793
J Adams Chief Marketing Officer	0.25%	27,592	186,985

Performance targets

Incentives are paid to Key Management Personnel according to the achievement of performance targets which are set half yearly and are based on a combination of Group level financial and non-financial performance measures, in addition to function-specific strategic goals. Refer to Section C Service agreements in the Remuneration Report for further details on performance targets.

Directors Remuneration

The Directors are remunerated in shares with no vesting requirements. The number of shares issued to Directors is determined by the VWAP over the financial year of the directorship. Refer to Remuneration Report for further details on Directors Remuneration.

Issue of shares

Details of shares issued to Directors and other key management personnel as part of compensation during the year ended 31 December 2020 are set out below:

	Financial Year	Category	Number of Shares granted up to 31 December 2020	Number of shares vested during 2020	Fair Value per share $	Fair value of shares $	Grant date	Vesting date	Issue date
Executive Director:									
G Chmiel	2019	Director Fees	535,724	535,724	0.2240	120,000	February 2020	February 2020	June 2020
Non-Executive Directors:									
P Grove	2019	Director Fees[1]	133,931	133,931	0.2240	30,000	February 2020	February 2020	June 2020
L Elliott	2019	Director Fees[1]	133,931	133,931	0.2240	30,000	February 2020	February 2020	June 2020
S Khalil Ibrahim	2019	Director Fees	133,931	133,931	0.2240	30,000	February 2020	February 2020	June 2020
P Everingham	2019	Director Fees	133,931	133,931	0.2240	30,000	February 2020	February 2020	June 2020
R Kuo	2019	Director Fees	156,253	156,253	0.2240	35,000	February 2020	February 2020	June 2020
Other Key Management Personnel:									
H Stone	2019	LTVC	1,313,794	1,313,794	0.3065	402,678	February 2018	January 2020	January 2020
	2017	LTI	459,247	459,247	0.2417	111,000	February 2018	February 2020	June 2020
	2019	LTI	1,157,162	1,157,162	0.2240	259,200	February 2020	February 2020	June 2020
	2020	Remuneration	669,654	669,654	0.2240	150,000	February 2020	February 2020	June 2020
Yee Chin Beng	2019	LTVC	315,311	315,311	0.3065	96,643	February 2019	January 2020	January 2020
	2019	LTI	267,862	267,862	0.2240	60,000	February 2020	February 2020	April 2020
	2020	Remuneration	75,330	75,330	0.2917	21,975	August 2020	August 2020	August 2020
	2020	Remuneration	51,970	51,970	0.4363	22,673	November 2020	November 2020	November 2020

	Financial Year	Category	Number of Shares granted up to 31 December 2020	Number of shares vested during 2020	Fair Value per share $	Fair value of shares $	Grant date	Vesting date	Issue date
Other Key Management Personnel:									
J Adams	2019	LTVC	262,758	262,758	0.3065	80,535	February 2018	January 2020	January 2020
	2017	LTI	87,280	87,280	0.2417	21,096	February 2018	February 2020	April 2020
	2019	LTI	154,020	154,020	0.2240	34,500	February 2020	February 2020	April 2020
	2020	Remuneration	52,695	52,695	0.2917	15,372	August 2020	August 2020	August 2020
	2020	Remuneration	37,024	37,024	0.4363	16,152	November 2020	November 2020	November 2020
K Jakobsen	2020	Remuneration	68,796	68,796	0.2917	20,069	August 2020	August 2020	August 2020
	2020	Remuneration	48,337	48,337	0.4363	21,088	November 2020	November 2020	November 2020

[1] Shares allocated to the Director were issued to Catcha Media Pte Ltd

Share based payments of $1,581,147 have been accrued in relation to 2020 in lieu of Directors Fees ($338,000) and executive variable remuneration ($1,243,147) number of shares to be granted will be agreed at the meeting of the Nomination & Remuneration Committee in February 2021.

The table below discloses the number of share options outstanding at the end of the year.

Options holdings of KMP							
KMP	Balance 1 January 2019	Granted as remuneration	Options exercised	Net change other	Balance 31 December 2019	Exercisable	Not exercisable
G Chmiel (Exec. Chairman)	1,000,000	-	-	-	1,000,000	1,000,000	-
P Grove (Director)	3,777,777	-	(3,777,777)	7,555,553	7,555,553	7,555,553	-
L Elliott (Director)	3,777,777	-	(3,777,777)	7,555,553	7,555,553	7,555,553	-

There were no options related to remuneration exercised during the year.

The option holdings of Patrick Grove and Lucas Elliott are in connection with the Finance facility from Catcha Group Pte Ltd. For further details see Note 23.

In the directors' opinion:

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

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

- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and

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

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

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

On behalf of the directors

Georg Chmiel
Executive Chairman

Kuala Lumpur
19 March 2021

Building a better
working world

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Independent auditor's report to the members of iCar Asia Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of iCar Asia Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial performance for the year ended on that date; and

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

Basis for opinion

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Building a better working world

Impairment testing of goodwill and intangible assets

Why significant	How our audit addressed the key audit matter
The carrying value of goodwill of $22.5 million and other intangible assets of $8.2 million as disclosed in Note 13 represent 79% of the total assets of the Group. As required by Australian Accounting Standards, the Group assesses at the end of each reporting period whether there is any indication that non-current assets may be impaired. In addition, goodwill and indefinite life intangibles are tested for impairment at least annually. The Group has used a discounted cash flow model to estimate the recoverable amount of the Group's cash generating units ("CGUs"). The estimates are based on conditions existing and emerging at 31 December 2020. In estimating the discounted future cash flows as at 31 December 2020, the Group has factored in an expected improvement in COVID-19 operating conditions in all CGUs as disclosed in Note 13 of the financial report. The impairment of goodwill and other intangible assets was a key audit matter due to the significance of these balances and the complex judgements in the impairment assessment process such as forecasting revenue growth and operating costs that will be impacted by future performance and market conditions. The Group's disclosures in relation to impairment testing of goodwill and other intangible assets are included in Note 13 of the financial report.	Our audit procedures included assessing the appropriateness of the CGUs where impairment testing was performed, taking into consideration the levels at which management monitors business performance and the interdependency of cash flows. In respect of the Group's CGUs, where indicators of impairment were present or in CGUs that contained significant goodwill balances and indefinite life intangibles as at 31 December 2020, we performed the following procedures, amongst others: ► Assessed the appropriateness of the impairment testing methodologies applied. ► Tested the mathematical accuracy of the discounted cash flow model. ► Assessed key assumptions such as forecast revenue growth and operating costs in comparison to external independent data, where relevant. ► Considered the impact of assumptions related to COVID-19 on forecast revenues and operating costs, based on conditions existing and emerging at 31 December 2020. ► Compared the Group's results with historical forecasts to assess forecast accuracy. ► Compared future cash flows to board approved budgets. ► Compared revenue multiples derived from the Group's valuation models to those observable from external market data of comparable listed entities, where available. We performed sensitivity analysis in respect of the assumptions noted above, which were considered to have the most significant impact on carrying values, to ascertain the extent of changes in those assumptions which either individually or collectively would be required for there to be an impairment. We assessed the likelihood of these changes in assumptions arising. We also considered the adequacy of the financial report disclosures regarding the impairment testing approach, key assumptions and sensitivity analysis as disclosed in Note 13 of the financial report. Our valuation specialists were involved in the performance of these procedures where appropriate.

Revenue recognition

Why significant	How our audit addressed the key audit matter
As disclosed in Note 4 of the financial report, the Group earns revenue from on-line classifieds subscriptions, media advertising, on-line depth products, vehicle sales, commissions and exhibition fees. The recognition of revenue from on-line classifieds subscriptions and on-line depth products in accordance with Australian Accounting Standard AASB 15 Revenue from Contracts with Customers ("AASB 15") is complex given the management judgement involved in determining the timing of when the Group's performance obligations are satisfied for these revenue streams. The recognition of revenue for these revenue streams was considered a key audit matter due to the complexity of the management judgements referred to above and the significance of these revenues to the financial report.	We assessed the effectiveness of relevant controls over the capture, recording and recognition of revenue transactions from on-line classifieds subscriptions and on-line depth products. We assessed the effectiveness of controls over IT systems relevant to revenue transaction processing and revenue recognition for on-line classifieds subscriptions and on-line depth products. We examined a sample of customer contracts for each significant revenue stream to assess whether revenue recognised was in accordance with AASB 15 and the terms and conditions in the underlying contract. We assessed the Group's revenue accounting policies, estimates and judgements made for compliance with the revenue recognition requirements of AASB 15. We evaluated the adequacy of disclosures included in Note 4 of the financial report.

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

The directors are responsible for the other information. The other information comprises the information included in the Company's 2020 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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

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

Building a better working world

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 28 of the directors' report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of iCar Asia Limited for the year ended 31 December 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Ernst & Young

Ernst & Young

BJ Pollock
Partner

Melbourne
19 March 2021

The shareholder information set out below was applicable as at 31 December 2020.

ASX Listing Rule 4.10.19

iCar Asia Limited has used the cash and assets in a form readily convertible to cash it had at the time of admission in a way consistent with its business objectives.

Distribution of equitable securities

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

	Total holders of ordinary shares	Units
1 to 1,000	366	167,747
1,001 to 5,000	842	2,484,131
5,001 to 10,000	459	3,632,391
10,000 to 100,000	1,194	42,653,332
100,001 and over	303	386,760,226
	3,164	435,697,827

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are:	**Ordinary shares**	
	Number held	**% of total shares issued**
ICQ HOLDINGS SDN BHD	52,500,000	12.05%
CARSALES COM LIMITED	50,373,365	11.56%
CATCHA GROUP PTE LTD	50,365,031	11.56%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	46,817,566	10.75%
CATCHA GROUP PTE LTD	21,123,918	4.85%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	20,337,077	4.67%
DCM BLUELAKE PARTNERS PTY LTD	9,000,000	2.07%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	7,965,999	1.83%
UBS NOMINEES PTY LTD	7,221,000	1.66%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,317,705	1.45%
NATIONAL NOMINEES LIMITED	5,428,273	1.25%
CITICORP NOMINEES PTY LIMITED	5,132,292	1.18%
RUBI HOLDINGS PTY LTD <JOHN RUBINO S/F A/C>	5,000,000	1.15%
MARENSA PTY LTD <STEWART SUPER A/C>	4,000,000	0.92%
MR MICHAEL STEWART BUNKER	3,000,000	0.69%
TIMSIM HOLDINGS PTY LTD <NO 2 A/C>	2,500,000	0.57%
MRS SUSAN HADDEN & MRS ABBY FALLA <HADDUP SUPER FUND A/C>	2,000,000	0.46%
ARREDO PTY LTD	2,000,000	0.46%
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	1,990,733	0.46%
MR GEORG JOHANN CHMIEL	1,587,198	0.36%
	304,660,157	**69.93%**

Unquoted equity securities

There are no shares held in escrow

Substantial holders

The names of substantial shareholders of the Company (holding not less than 5%) who have notified the Company in accordance with Section 671B of the Corporations Act 2001 are set out below:	Ordinary shares	
	Number held	% of total shares issued
Catcha Group Pte Ltd	123,988,949	28.46
Carsales.com Ltd	50,373,365	11.56
PM Capital Limited Group	36,425,873	8.36
	210,788,187	**48.38**

Voting rights

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

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

There are no other classes of equity securities.

Directors	Georg Chmiel (Executive Chairman) Hamish Stone (Managing Director and Chief Executive Officer) Patrick Grove Lucas Elliott Syed Khalil Ibrahim Peter Everingham Richard Kuo
Chief Executive Officer	Hamish Stone Hamish.Stone@icarasia.com
Chief Financial Officer	Yee Chin Beng chinbeng.yee@icarasia.com
Company Secretary	Hasaka Martin hasaka.martin@emersonoperations.com.au
Registered office	C/- Emerson CoSec Suite 4201, Level 42, Australia Square, 264 George Street, Sydney NSW 2000. Tel. +61 (4) 2314 9096
Principal place of business	Suite 18.01- 3, Level 18, Centerpoint North Tower, Mid Valley City Lingkaran Syed Putra, 59200 Kuala Lumpur Malaysia Tel. +60 (3) 2776 6000 Fax. +60 (3) 2776 6010
Share register	Boardroom Pty Limited Level 12, 225 George Street, Sydney, NSW, Australia, 2000 Tel. +61 (2) 9290 9600 boardroomlimited.com.au
Auditor	Ernst & Young 8 Exhibition Street Melbourne VIC 3000 Australia
Stock exchange listing	iCar Asia Limited and Controlled Entities shares are listed on the Australian Securities Exchange (ASX code: ICQ)
Website	www.icarasia.com
Corporate Governance Statement	http://www.icarasia.com/investor-relations/corporate-governance/