

## iCar Asia Limited

ACN 157 710 846

### Appendix 4D

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the half year ended 30 June 2021

Statutory Financial Results	Jun-21 \$000	Jun-20 \$000	Movement \$000	Change
Revenues from ordinary operations	8,189	6,256	1,933	31%
Loss from ordinary activities after tax attributable to members	(4,878)	(6,144)	1,266	(21%)
Loss after tax attributable to members	(4,878)	(6,144)	1,266	(21%)
Earnings before interest, tax, depreciation, amortisation and equity incentives (EBITDAE)	(3,583)	(4,093)	510	(12%)
Receipts from customers	8,998	6,965	2,033	29%
Net cash used in operating activities	(2,669)	(3,807)	1,138	(30%)
Net cash used in investing activities	(469)	(556)	87	(16%)
	<b>Cents</b>	<b>Cents</b>		
Loss per Share (basic & diluted)	(1.14)	(1.44)	0.30	(21%)
(NTL)/ NTA per Share	(2.03)	(0.93)	(1.10)	118%

Pro Forma Financial Results	Jun-21 \$000	Jun-20 \$000	Movement \$000	Change
Revenues from ordinary operations	8,189	6,256	1,933	31%
Loss from ordinary activities after tax attributable to members	(4,878)	(6,144)	1,266	(21%)
Loss after tax attributable to members	(4,878)	(6,144)	1,266	(21%)
Earnings before interest, tax, depreciation, amortisation and equity incentives (EBITDAE)	(2,874)	(3,315)	441	(13%)

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 Group's underlying earnings given these are a non-cash items 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 period ended 30 June 2021 (noting that this financial information has not been audited in accordance with Australian Auditing Standards):

<b>Half year ended 30 June 2021</b>	<b>Sales</b>	<b>EBITDA</b>	<b>NPAT</b>
<b>\$'000</b>			
<b>Statutory results</b>	<b>8,189</b>	<b>(3,583)</b>	<b>(4,878)</b>
Employee equity incentive expense	-	709	709
<b>Pro forma results</b>	<b>8,189</b>	<b>(2,874)</b>	<b>(4,169)</b>

<sup>1</sup> 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 the period ended June 2021.

The following table reconciles the statutory result to pro forma financial results for the period ended 30 June 2020 (noting that this financial information has not been reviewed in accordance with Australian Auditing Standards):

<b>Half year ended 30 June 2020</b>	<b>Sales</b>	<b>EBITDA</b>	<b>NPAT</b>
<b>\$'000</b>			
<b>Statutory results</b>	<b>6,256</b>	<b>(4,093)</b>	<b>(6,144)</b>
Employee equity incentive expense	-	778	778
<b>Pro forma results</b>	<b>6,256</b>	<b>(3,315)</b>	<b>(5,366)</b>

<sup>1</sup> 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 the period ended June 2020.

## **Dividends**

iCar Asia Limited does not propose to pay a dividend for this reporting period (2020: nil).

### **Basis of this report**

This report is based on the Half Year Financial Report which has been subject to independent review by the Auditors, Ernst & Young. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 31 December 2020 Annual Financial Report.

For and on behalf of the Board



**Georg Chmiel**  
Executive Chairman  
31 August 2021



# **iCar Asia Limited and Controlled Entities**

ACN 157 710 846

## **Financial Report**

**for the half year ended 30 June 2021**

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## iCar Asia Limited and Controlled Entities

### Directors' report

30 June 2021

### Directors' report

The Directors of iCar Asia Limited submit their financial report for iCar Asia Limited and Controlled Entities (referred to hereafter as the 'Group') for the half-year ended 30 June 2021.

The names of the Group's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period 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 Group Chief Executive Officer)

### 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 period.

### Financial Performance

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

The Group generated \$8.19m in revenue in the first half of 2021 (first half of 2020: \$6.26m), representing 31% revenue growth compared to the prior corresponding period. This growth was achieved despite the lingering adverse effects caused by COVID-19 on all operating countries. In the first half of 2021, all countries were subject to varying degrees of movement control measures that caused business disruption.



The Group's operations in each country are focused on both new car and used car businesses and comprise:

- in respect of used car – online classifieds, Car Sales Centres (Carsentro), brokerage and car auctions (**Used Car Business**); and
- in respect of new car – online classifieds, media (advertising), events and new car dealers (**New Car Business**).

## **Financial Performance (continued)**

### **Used Car Business**

The Used Car business delivered 42% revenue growth to \$5.83m over the previous corresponding period ("pcp") (first half of 2020: \$4.11m). The main catalyst for the growth was from the car trading business (in which the Group directly purchases and sells vehicles) in Malaysia where the volume of cars transacted increased significantly in line with the recovery in the Malaysian automotive market.

The Classified business in Malaysia registered a growth of 6% against pcp despite business and movement restrictions in Q1 and a full month lockdown in June 2021. For Thailand and Indonesia, the classifieds business was affected by intermittent government-imposed lockdowns in Quarter 2 2021 that contributed to 15% and 22% declines against pcp as these countries were not subject to lockdowns in the same period in 2020.

### **New Car Business**

Revenue generated in the New Car business increased by 12% over pcp in the first half of 2021 to \$2.24m (first half of 2020: \$2.00m) in line with the recovery in automotive industry and increased spend by the original equipment manufacturers ("car manufacturers").

The New Car business is expected to continue its recovery in the second half of 2021, as relaxation of business restrictions and certain stimulus packages offered by governments to encourage consumer spending, is expected to positively influence business activity. The Malaysian government extended the sales tax exemptions on new car sales until December 2021 and that is expected to be a further catalyst for activities both in new cars and the related trade in and sale of used cars. Used car sales are increasing as consumer preferences are shifting towards using cars for personal mobility over public transport and ride sharing.

### **Effective cost management**

Operating expenses (excluding depreciation and amortisation) increased by 14% in the first half of 2021 to \$11.8m (first half of 2020: \$10.3m). The increase was mainly due to higher cost of goods sold increasing from \$0.2m in 2020 to \$2.1m in 2021 relating to car trading and tax audit assessment outcome in Indonesia for \$0.5m. Excluding cost of goods sold and one-off tax audit adjustment, the Group's operating expenses (excluding depreciation and amortisation) in first half of 2021 decreased by 9% compared to the first half of 2020. This was largely achieved through specific cost management measures put in place to mitigate the impact of COVID-19, including scaling back of marketing expenses and renegotiation of other key operating expenses with suppliers and vendors.

The Group incurred an EBITDA loss for the half year of \$3.58m (first half of 2020: \$4.09m), a decrease of 12% as a result of a lower cost base (including one-off tax audit adjustment) and higher revenue flowing from a recovery in COVID-19 disruptions relative to 1H 2020, albeit the business remained impacted by COVID-19 during the half.

### **Operating Performance Highlights**

Key operating metrics in the first half of 2021 were impacted due to COVID-19 business disruptions but remained steady on its continuous recovery path.

Dealer's accounts in Q2 2021 increased by 2% year on year while audience remained consistent despite sizeable scale-down in marketing spend compared to pre-COVID-19 spend. Organic audience now constitutes 79% of total audience in Q2 2021, signalling strong brand presence in all 3 operating countries.

## Operating Environment and Opportunities

The operational focus in the second half of 2021 will be on the continuous recovery of both the Used Car and New Car businesses and amidst the uncertainties caused by COVID-19 business disruptions. With promising progress thus far in the vaccination program in these 3 countries, the Group remains cautiously optimistic that improving consumer sentiments will propel the recovery momentum in automotive sectors in these 3 countries, both in the medium and long term.

## 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.

## 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 period ended 30 June 2021 (noting that this financial information has not been audited in accordance with Australian Auditing Standards):

Half year ended 30 June 2021 \$'000	Sales	EBITDA	NPAT
<b>Statutory results</b>	<b>8,189</b>	<b>(3,583)</b>	<b>(4,878)</b>
Employee equity incentive expense	-	709	709
<b>Pro forma results</b>	<b>8,189</b>	<b>(2,874)</b>	<b>(4,169)</b>

<sup>1</sup> The adjustment removes the portion of directors' remuneration paid in shares, long term incentive plan (LTI), option plan and long-term value creation plan (LTV) expense incurred during the period ended June 2021.

**Pro forma financial results (continued)**

Half year ended 30 June 2020

\$'000

	Sales	EBITDA	NPAT
<b>Statutory results</b>	<b>6,256</b>	<b>(4,093)</b>	<b>(6,144)</b>
Employee equity incentive expense	-	778	778
<b>Pro forma results</b>	<b>6,256</b>	<b>(3,315)</b>	<b>(5,366)</b>

<sup>1</sup> 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 the period ended June 2020.

**Dividends**

The Group does not propose to pay a dividend for this reporting period (2020: nil).

**Events subsequent to reporting date**

On 19 August 2021, Catcha Group Pte Ltd exercised 7,555,553 options it held in iCar Asia Ltd at an exercise price of \$0.20 each, totalling \$1,511,111, of which \$1,000,000 was satisfied by way of offset against the Catcha Loan Facility (refer note 12) and the remaining \$511,111 was received in cash.

There have not been any other transactions or events of a material and unusual nature between the end of the reporting period and the date of this report, in the opinion of the Directors of the Group, to affect significantly the operations of the Group, the results of those operations, or state of affairs of the Group in future periods.

**Indemnification 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.

**Auditor's independence declaration**

The auditor's independence declaration is included on page 5 of the half-year financial report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors



**Georg Chmiel**  
 Chairman

**Kuala Lumpur**  
**31 August 2021**

## Auditor's Independence Declaration to the Directors of iCar Asia Limited

As lead auditor for the review of the half-year financial report of iCar Asia Limited for the half-year ended 30 June 2021, 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 review; and
- b. No contraventions of any applicable code of professional conduct in relation to the review.

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



Ernst & Young



BJ Pollock  
Partner  
31 August 2021

**iCar Asia Limited and Controlled Entities**  
**Directors' declaration**  
**30 June 2021**

In accordance with a resolution of the directors of iCar Asia Limited and Controlled Entities (the 'Group'), I state that:

In the opinions of the directors:

- (a) The financial statements and notes of the Group for the half-year ended 30 June 2021 are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*
- (b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the board



**Georg Chmiel**  
Chairman

**Kuala Lumpur**  
**31 August 2021**

**iCar Asia Limited and Controlled Entities**  
**Interim condensed consolidated statement of comprehensive income**  
**For the six months ended 30 June 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue from contracts with customers</b>	4	8,073,798	6,110,385
<b>Other revenue</b>		115,071	145,290
<b>Expenses</b>			
Administration and related expenses		(1,755,714)	(1,307,155)
Advertising and marketing expenses		(1,461,308)	(1,741,382)
Cost of goods sold		(2,126,296)	(197,438)
Employment related expenses		(5,751,347)	(6,140,189)
Premises and infrastructure expenses		(583,835)	(949,605)
Production costs		(93,183)	(12,804)
Depreciation and amortisation expense		(1,558,810)	(1,845,005)
<b>Operating loss</b>		(5,141,624)	(5,937,903)
Interest income	12	561,957	16,413
Interest expense		(252,416)	(160,699)
<b>Loss before tax</b>		(4,832,083)	(6,082,189)
Income tax (expense)/benefit		(45,751)	(61,960)
<b>Loss after income tax expense for the period attributable to the owners of iCar Asia Limited and Controlled Entities</b>		(4,877,834)	(6,144,149)
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss (net of tax)			
Exchange differences on translation of foreign operations		(1,240,453)	(721,440)
Other comprehensive income for the year (net of tax)		(1,240,453)	(721,440)
<b>Total comprehensive loss for the period attributable to the owners of iCar Asia Limited and Controlled Entities</b>		(6,118,287)	(6,865,589)
<b>Earnings per share</b>		<b>Cents</b>	<b>Cents</b>
Basic loss per share		(1.14)	(1.44)
Diluted loss per share		(1.14)	(1.44)

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

**iCar Asia Limited and Controlled Entities**  
**Interim condensed consolidated statement of financial position**  
**For the six months ended 30 June 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 Jun 2021</b>	<b>31 Dec 2020</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	1,472,182	2,165,797
Trade and other receivables and contract assets		953,780	1,412,983
Other assets		3,155,511	2,733,676
<b>Total current assets</b>		<b>5,581,473</b>	<b>6,312,456</b>
<b>Non-current assets</b>			
Property, plant and equipment		321,608	517,689
Right-of-use assets		1,235,424	1,501,635
Intangibles	7	7,873,416	8,196,299
Goodwill	7	21,522,829	22,453,192
<b>Total non-current assets</b>		<b>30,953,277</b>	<b>32,668,815</b>
<b>Total assets</b>		<b>36,534,750</b>	<b>38,981,271</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		3,143,972	3,471,486
Contract liabilities		1,928,017	1,702,295
Lease liabilities		747,730	663,039
Provisions	13	1,660,904	1,392,821
Other current liabilities		1,515,862	1,622,346
Borrowings	12	-	1,715,669
<b>Total current liabilities</b>		<b>8,996,485</b>	<b>10,567,656</b>
<b>Non-current liabilities</b>			
Provisions		806,064	830,016
Lease liabilities		544,624	856,305
Deferred tax liabilities		107,888	109,733
Borrowings	12	4,261,728	-
<b>Total non-current liabilities</b>		<b>5,720,304</b>	<b>1,796,054</b>
<b>Total liabilities</b>		<b>14,716,789</b>	<b>12,363,710</b>
<b>Net assets</b>		<b>21,817,961</b>	<b>26,617,561</b>
<b>Equity</b>			
Issued capital	9	135,782,690	134,170,159
Reserves		(8,099,394)	(6,565,097)
Accumulated losses		(105,865,335)	(100,987,501)
<b>Total equity</b>		<b>21,817,961</b>	<b>26,617,561</b>

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

**iCar Asia Limited and Controlled Entities**  
**Interim condensed consolidated statement of changes in equity**  
**For the six months ended 30 June 2021**

	Issued capital	Foreign currency translation reserve	Equity reserve	Share based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 January 2021</b>	134,170,159	324,347	(10,655,843)	3,766,399	(100,987,501)	26,617,561
Loss after income tax expense for the period	-	-	-	-	(4,877,834)	(4,877,834)
Other comprehensive income for the period, net of tax	-	(1,240,453)	-	-	-	(1,240,453)
Total comprehensive income for the period	-	(1,240,453)	-	-	(4,877,834)	(6,118,287)
<i>Transactions with owners in their capacity as owners</i>						
4,206,076 shares issued during the period	1,615,429	-	-	(1,615,429)	-	-
Transaction costs (net of tax)	(2,898)	-	-	-	-	(2,898)
Shares to be issued in lieu of directors' remuneration	-	-	-	528,000	-	528,000
Executive variable remuneration	-	-	-	793,585	-	793,585
<b>Balance at 30 June 2021</b>	<b>135,782,690</b>	<b>(916,106)</b>	<b>(10,655,843)</b>	<b>3,472,555</b>	<b>(105,865,335)</b>	<b>21,817,961</b>

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

**iCar Asia Limited and Controlled Entities**  
**Interim condensed consolidated statement of changes in equity**  
**For the six months ended 30 June 2021**

	Issued capital	Foreign currency translation reserve	Equity reserve	Share based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 January 2020</b>	132,051,813	3,689,302	(10,965,292)	2,907,110	(90,592,676)	37,090,257
Loss after income tax expense for the period	-	-	-	-	(6,144,149)	(6,144,149)
Other comprehensive income for the period, net of tax	-	(721,440)	-	-	-	(721,440)
Total comprehensive income for the period	-	(721,440)	-	-	(6,144,149)	(6,865,589)
<i>Transactions with owners in their capacity as owners</i>						
4,142,716 shares issued during the period	936,084	-	-	(936,084)	-	-
Transaction costs (net of tax)	(7,853)	-	-	-	-	(7,853)
Shares to be issued in lieu of directors' remuneration	-	-	-	137,500	-	137,500
Executive variable remuneration	-	-	-	640,762	-	640,762
<b>Balance at 30 June 2020</b>	<b>132,980,044</b>	<b>2,967,862</b>	<b>(10,965,292)</b>	<b>2,749,288</b>	<b>(96,736,825)</b>	<b>30,995,077</b>

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

**iCar Asia Limited and Controlled Entities**  
**Interim condensed consolidated statement of changes in cash flows**  
**For the six months ended 30 June 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		8,998,001	6,964,532
Payments to suppliers and employees		(11,529,808)	(10,655,688)
Income tax paid		(54,263)	(66,528)
		<u>(2,586,070)</u>	<u>(3,757,684)</u>
Interest received		1,705	10,116
Interest paid		<u>(84,815)</u>	<u>(59,129)</u>
Net cash used in operating activities		<u>(2,669,180)</u>	<u>(3,806,697)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(14,626)	(181,217)
Payments for intangibles		<u>(454,290)</u>	<u>(375,227)</u>
Net cash used in investing activities		<u>(468,916)</u>	<u>(556,444)</u>
<b>Cash flows from financing activities</b>			
Proceeds from loan facility		3,000,000	-
Payment of lease liabilities		<u>(377,859)</u>	<u>(228,120)</u>
Net cash from/(used in) financing activities		<u>2,622,141</u>	<u>(228,120)</u>
Net decrease in cash, cash equivalents and investments		(515,955)	(4,591,261)
Net foreign exchange difference		(177,660)	(45,329)
Cash, cash equivalents and investments at the beginning of the period		<u>2,165,797</u>	<u>6,833,304</u>
<b>Cash, cash equivalents and investments at the end of the period</b>	<b>6</b>	<u><b>1,472,182</b></u>	<u><b>2,196,714</b></u>

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

**iCar Asia Limited and Controlled Entities**  
**Notes to the consolidated financial statements**  
**For the six months ended 30 June 2020**

**1. Corporate information**

The interim condensed consolidated financial statements of iCar Asia Limited and Controlled Entities (collectively, the 'Group') for the six months ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 31 August 2021.

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 half year were the development and operation of internet based automotive portals in South East Asia.

**2. Basis of preparation and changes to the Group's accounting policies**

**2.1 Basis of preparation**

The interim condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with AASB 134 Interim Financial Reporting. All amounts are presented in Australian dollars and are rounded to the nearest dollar.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated annual financial statements as at 31 December 2020.

The carrying amount of financial assets and financial liabilities approximate fair values at the reporting date, unless otherwise stated.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

**2.2 Going concern**

During the half year ended 30 June 2021 the Group incurred a net loss after tax of \$4.9 million (2020: \$6.1 million). Net cash outflows from operating activities were \$2.7 million (2020: \$3.8 million). As at 30 June 2021 current liabilities of \$9.0 million exceed current assets of \$5.6 million by \$3.4 million.

The COVID-19 pandemic has been challenging due to the impact of repeated lockdowns, however with vaccination programs commencing in Q2 of 2021 in all countries of operation, the Group expects there to be further economic recovery as vaccination rates increase by the end of 2021. The Group has also successfully implemented cash collection / payment initiatives and cost reduction programs resulting in the net operating cash outflows improving significantly on the prior corresponding period.

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.

## **2. Basis of preparation and changes to the Group's accounting policies (continued)**

### **2.2 Going concern (continued)**

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 the access to the \$15m loan facility provided by Catcha Group Pte Ltd ("Catcha Loan Facility") as disclosed in Note 12.

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 a 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 continue their recovery in the second half of 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.

To the extent that revenues do not grow or recovery from COVID-19 related impacts 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 \$10m of undrawn facilities under the Catcha Loan Facility should the Group's cash flows be less favourable than forecast. The Catcha Loan 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 12. This facility will provide the Group with the necessary liquidity to manage its operations in the next 2 years from this report. As announced to the Australian Stock Exchange on 13 July 2021, the Group has received a conditional, non-binding indicative proposal from Carsome Group Pte Ltd ("Carsome") for a potential acquisition of 100% of the Shares in the parent company of the Group at \$0.55 per share by way of a scheme of arrangement. Should these discussions with Carsome 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 Group 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. Basis of preparation and changes to the Group's accounting policies (continued)**

### **2.3 Changes in accounting policies, disclosures, standards and interpretations**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards and interpretations noted below.

#### **(i) AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform- Phase 2**

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.

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

#### **(ii) AASB 2021-3 Amendments to AASs – Covid-19-Related Rent Concessions beyond 30 June 2021**

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

This standard amends AASB 16 to extend the availability of the practical expedient to not account for Covid-19 related rent concessions as lease modifications by one year. Provided all other conditions are met, this expedient can be applied to rent concessions that reduce only lease payments originally due on or before 30 June 2022.

A lessee that has previously established an accounting policy that applied such practical expedient would be required to apply the extended scope of the practical expedient to eligible contracts with similar characteristics and in similar circumstances.

A lessee that has not done so previously can still decide whether to apply the practical expedient or not.

The amendment to AASB 16 is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the beginning of the annual reporting period in which the lessee first applies the amendment.

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

## **2. Basis of preparation and changes to the Group's accounting policies (continued)**

### **2.4 Accounting Standards and Interpretations issued but not yet effective**

At the date of authorisation of the financial report, the following Australian Accounting Standards and Interpretations relevant to the Group have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the reporting period ended 30 June 2021.

- (i) AASB 2020-1 Amendments to Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current  
(effective for annual reporting periods beginning on or after 1 January 2023)
- (ii) AASB 2020-31 Amendment to AASB 9 - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Part of Annual Improvements 2018-2020 Cycle)  
(effective for annual reporting periods beginning on or after 1 January 2022)
- (iii) AASB 2020-3 Conceptual Framework  
(effective for annual reporting periods beginning on or after 1 January 2022)
- (iv) AASB 2020-3 Amendments to AASB 137 - Onerous Contracts - Cost of Fulfilling a Contract (effective for annual reporting periods beginning on or after 1 January 2022)
- (v) AASB 2021-5 Amendments to AASBs – Deferred Tax related to Assets and Liabilities arising from a Single Transaction  
(effective for annual reporting periods beginning on or after 1 January 2023)
- (vi) AASB 2021-28 Amendments to AASB 7, AASB 101, AASB 134 Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies  
(effective for annual reporting periods beginning on or after 1 January 2023)
- (vii) AASB 2021-2 Amendments to AASB 108 – Definition of Accounting Estimates  
(effective for annual reporting periods beginning on or after 1 January 2023)

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

## **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. There has been no significant changes to the critical accounting judgements, estimates and assumptions to those disclosed in the 31 December 2020 full year financial report.

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**4. Revenue from contracts with customers**

**A. Disaggregation of revenue**

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

	30 June 21 \$	30 June 20 <sup>1</sup> \$
<b>Segments</b>		
<b>Type of service</b>		
Used Cars	5,834,947	4,108,976
New Cars	2,238,851	2,001,409
<b>Total revenue from contracts with customers</b>	<b>8,073,798</b>	<b>6,110,385</b>
<b>Geographical markets</b>		
Malaysia	4,519,548	2,549,391
Thailand	2,497,182	2,366,269
Indonesia	1,057,068	1,194,725
<b>Total revenue from contracts with customers</b>	<b>8,073,798</b>	<b>6,110,385</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time:		
Used Cars	4,647,033	2,906,978
New Cars	13,646	7,890
Services transferred over time:		
Used Cars	1,187,914	1,201,998
New Cars	2,225,205	1,993,519
<b>Total revenue from contracts with customers</b>	<b>8,073,798</b>	<b>6,110,385</b>

<sup>1</sup> Revenue of \$145,290 in 30 June 2020 has been reclassified to rental income to ensure comparability with the current period.

**B. Other income**

	Consolidated 2021 \$	2020 \$
Rental income	115,071	145,290

## **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.

### *Clarification of terminology used in our financial report:*

Earnings/(Loss) before interest, income tax expense, depreciation and amortisation (EBITDA) reflects the loss for the period prior to including the effect of net finance costs, income taxes, depreciation, amortisation and impairment. Depreciation and amortisation are calculated in accordance with AASB 116: "Property, plant and equipment" and AASB 138: "Intangible Assets" respectively. Impairment is calculated in accordance with AASB 136: "Impairment of Assets". The Group believes that EBITDA is a relevant and useful financial measure used by management to measure the Group's ongoing operating performance.

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**5. Segment information (continued)**

*Operating segment information*

<b>Consolidated - June 2021</b>	Malaysia \$	Indonesia \$	Thailand \$	Unallocated \$	Total \$
<b>Revenue</b>					
Revenue from external customers	4,519,550	1,172,138	2,497,181	-	8,188,869
Cost of goods sold	(2,126,296)	-	-	-	(2,126,296)
Operating expenses	(1,716,903)	(2,304,333)	(2,395,424)	(3,228,727)	(9,645,387)
<b>Earnings/ (Loss) before Interest, tax, depreciation and amortisation</b>	<u>676,351</u>	<u>(1,132,195)</u>	<u>101,757</u>	<u>(3,228,727)</u>	<u>(3,582,814)</u>
Depreciation and amortisation	(91,137)	(256,057)	(132,533)	(1,079,083)	(1,558,810)
Interest income	1,703	186	6	560,062	561,957
Interest expense	<u>(18,844)</u>	<u>(26,582)</u>	<u>(22,453)</u>	<u>(184,537)</u>	<u>(252,416)</u>
<b>Profit/ (Loss) before income tax expense</b>	<u>568,073</u>	<u>(1,414,648)</u>	<u>(53,223)</u>	<u>(3,932,285)</u>	<u>(4,832,082)</u>
Income tax expense					(45,751)
<b>Loss after income tax expense</b>					<u>(4,877,833)</u>
<b>Assets</b>					
Segment assets	<u>3,545,436</u>	<u>6,847,775</u>	<u>20,797,364</u>	<u>5,344,175</u>	<u>36,534,750</u>
<b>Total assets</b>					<u>36,534,750</u>
<b>Liabilities</b>					
Segment liabilities	<u>2,190,849</u>	<u>4,425,362</u>	<u>1,768,855</u>	<u>6,331,723</u>	<u>14,716,789</u>
<b>Total liabilities</b>					<u>14,716,789</u>

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**5. Segment information (continued)**

*Operating segment information*

<b>Consolidated - June 2020</b>	Malaysia \$	Indonesia \$	Thailand \$	Unallocated \$	Total \$
<b>Revenue</b>					
Revenue from external customers	2,549,392	1,340,015	2,366,268	-	6,255,675
Cost of goods sold	(197,438)	-	-	-	(197,438)
Operating expenses	(1,962,426)	(2,492,967)	(2,350,908)	(3,344,834)	(10,151,135)
<b>Earnings/ (Loss) before Interest, tax, depreciation and amortisation</b>	<u>389,528</u>	<u>(1,152,952)</u>	<u>15,360</u>	<u>(3,344,834)</u>	<u>(4,092,898)</u>
Depreciation and amortisation	(118,887)	(171,027)	(157,417)	(1,397,674)	(1,845,005)
Interest income	12,270	304	19	3,820	16,413
Interest expense	(8,013)	(9,441)	(36,944)	(106,301)	(160,699)
<b>Profit/ (Loss) before income tax expense</b>	<u>274,898</u>	<u>(1,333,116)</u>	<u>(178,982)</u>	<u>(4,844,989)</u>	<u>(6,082,189)</u>
Income tax expense					(61,960)
<b>Loss after income tax expense</b>					<u>(6,144,149)</u>
<b>Assets</b>					
Segment assets	<u>3,818,323</u>	<u>7,616,862</u>	<u>24,434,772</u>	<u>6,396,925</u>	<u>42,266,882</u>
<b>Total assets</b>					<u>42,266,882</u>
<b>Liabilities</b>					
Segment liabilities	<u>1,767,196</u>	<u>3,922,943</u>	<u>2,231,894</u>	<u>3,349,773</u>	<u>11,271,806</u>
<b>Total liabilities</b>					<u>11,271,806</u>

**6. Cash, cash equivalents and investments**

	<b>30 June 21</b>	<b>31 Dec 20</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	<u>1,472,182</u>	<u>2,165,797</u>

## 7. Significant balances

	30 June 21	31 Dec 20
	\$	\$
<b>Intangibles Summary</b>		
Autospinn.com website (Thailand)	125,755	176,281
One2Car.com brand (Thailand)	2,418,672	2,542,842
PTCCI (Carmudi) brand (Indonesia)	490,401	498,785
Intangibles- Customer Relationship Management platform	1,345,723	1,342,064
Intangibles- Websites and App development	3,419,397	3,560,244
Intangibles- Other	73,468	76,083
	<b>7,873,416</b>	<b>8,196,299</b>

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.. Internally-generated intangible assets are amortised over 3-5 years. Amortisation rates remain unchanged from the financial year ended 31 December 2020.

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.

	30 June 21	31 Dec 20
	\$	\$
<b>Goodwill Summary</b>		
Malaysian cash generating unit	1,777,913	1,796,330
Thailand cash generating unit	16,774,340	17,635,498
PTCCI (Carmudi) cash generating unit	2,970,576	3,021,364
	<b>21,522,829</b>	<b>22,453,192</b>

## 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 Group's impairment test for goodwill and intangible assets with indefinite useful lives is determined based on a value-in-use valuation. The value-in-use 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.

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 30 June 2021, 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 impairment assessment 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.

## 7. Significant balances (continued)

Since the onset of the unprecedented COVID-19 pandemic in March 2020, all countries that the Group operates in were subject to varying degree of movement control that was subsequently relaxed and reintroduced in line with prevailing Covid-19 situation in each of these countries. Amongst 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
- Progress of vaccination that may provide an accelerated 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 continuous recovery in the Group's New Car and Used Car businesses in the second half of 2021 in the impairment assessments. Management's forecasts are consistent with the early signs of recovery in each operating country. 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.

- **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.

## **7. Significant balances (continued)**

### **Malaysia 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 13.6% (2020: 13.6%) was applied. A long term growth rate of 3% (2020: 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 30 June 2021.

#### *Sensitivity analysis*

If in isolation the revenue growth rate decreased by 28% per annum over the 5 year forecast period, then the recoverable amount would be equal to the carrying amount of the Malaysian CGU at 30 June 2021. A decrease in the long term growth by 0.5% would result in a decrease in the recoverable amount of \$1.9m. An increase in the discount rate of 1.0% would result in a decrease in the recoverable amount of \$4.3m. 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% (2020: 12.7%) was applied. A long term growth rate of 3% (2020: 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 30 June 2021.

#### *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 12% per annum over the 5 year forecast period, then the recoverable amount would be equal to the carrying amount of the Thailand CGU at 30 June 2021.

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 \$3.8m. This would not result in an impairment. No other reasonably possible changes in assumptions that would result in an impairment were identified by management.

### **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% (2020: 18.1%) was applied. A long term growth rate of 5% (2020: 5%) was used to extrapolate year 5 cash flows.

## **7. Significant balances (continued)**

### **PT CCI (Carmudi) CGU (continued)**

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 30 June 2021.

#### *Sensitivity analysis*

If in isolation the revenue growth rate decreased by 17% per annum over the 5 year forecast period, then the recoverable amount would be equal to the carrying amount of the PTCCI CGU at 30 June 2021.

A decrease in the long term growth by 0.5% would result in a decrease in the recoverable amount of \$0.5m. An increase in the discount rate of 1.0% would result in a decrease in the recoverable amount of \$1.1m. 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.

## **8. Dividends**

No dividends have been paid, declared or recommended during the six months ended 30 June 2021 (30 June 2020: nil).

## **9. Contributed equity**

During the reporting period, the Group issued 4,206,076 (30 June 2020: 4,142,716) ordinary shares at a value of \$1,615,429 (30 June 2020: \$936,084).

4,206,076 (30 June 2020: 4,142,716) ordinary shares were issued to executives and directors as share based payments with a value of \$1,615,429 (30 June 2020: \$936,084) attributed to equity.

No options (30 June 2020: nil) were exercised during the period and nil (30 June 2020: nil) attributed to equity.

## **10. Share based payments**

### **Executive variable remuneration**

#### Long term incentive plan (LTI)

Details of the incentive plan were disclosed in the annual financial statement for the year ended 31 December 2020.

#### Options plan

Details of the incentive plan were disclosed in the annual financial statement for the year ended 31 December 2020.

## **10. Share based payments (continued)**

### Long Term Value Creation (LTVC)

Details of the incentive plan were disclosed in the annual financial statement for the year ended 31 December 2020.

For the six months ended 30 June 2021, the Group has recognised \$859,395 of share based-payments transactions expense in the statement of comprehensive income (30 June 2020: \$778,262).

## **11. Acquisitions and disposal of assets**

There were no significant acquisitions or disposals of assets during the six months ended 30 June 2021 (2020: nil).

## **12. Financing facility**

The Group entered into a \$5.0 million loan facility ("Tranche A") with Catcha Group Pte Ltd in November 2017. The Catcha Loan 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.

Key terms of Tranche A include:

- An interest rate of 12% per annum which was amended to interest free on 9 October 2020 by way of an amendment deed in February 2021 as disclosed below.
- A maturity date of 3 years to 30 June 2021, subsequently extended by Catcha Group Pte Ltd to 30 June 2023 by way of an amendment deed in February 2021 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 Tranche A, which starts accruing once the Company draws on the loan. During the current financial year, the Group has a total of commitment fees \$176,521 which remains unpaid at 30 June 2021.
- 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 Tranche A (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 were unexercised as at 30 June 2021. Catcha Group Pte Ltd exercised the 7,555,553 unlisted options on 19 August 2021.
- 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 expense in respect of of options issued on establishing the loan facility for the period ended 30 June 2021 is \$21,760 (30 June 2020: \$67,441). The options issued in connection with the first drawdown of the loan facility in October 2020 have been recorded as an equity transaction in the Equity Reserve.

## **12. Financing facility (continued)**

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 total Facility to \$15 million via an additional Tranche B facility with a limit of \$10 million ("Tranche B"), to extend the maturity of Tranche A from 30 June 2021 to 30 June 2023 and to amend certain financial covenants with effect from 1 April 2021 (the "Amended Catcha Loan Facility"). The key terms of the Amended Catcha Loan Facility, in addition to those disclosed above include:

- An interest rate of 12% per annum on the additional Tranche B facility of \$10m.
- Draw-downs 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 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.

As of 30 June 2021, the Group has fully drawn down \$5m under Tranche A while the \$10m Tranche B facility remains undrawn.

### **Financing Facility Modification**

With the amendments to the Catcha Loan Facility terms during the financial period, the Group performed an assessment to determine if the modification of the terms constitutes a substantial modification under AASB 9 *Financial Instruments*. The assessment identified that the modification of the loan is substantial as the present value of the modified cash flows is more than 10% different to the present value of the original cash flows. The Group derecognised the existing financial liability that had a carrying value of \$2,755,718 and recognised the amended financial liability at fair value at the date of modification, resulting in a gain on loan modification amounting to \$559,926. This amount is presented within interest income in the statement of comprehensive income.

As at December 2020 the market rate was determined at 15%. As at 30 June 2021, the Group performed its assessment using 8% interest rate based on the current market rate which ranges from 8%-10%. The carrying value of the financial liability as at 30 June 2021 is \$4,261,728 (31 December 2020: \$1,715,669).

## **13. Provisions**

On 22 July 2021, PT Car Classifieds Indonesia ("PTCCI") received a notice of tax assessment from the Indonesian Tax Office in relation to indirect taxes for its 2019 year of assessment. The tax assessment amount of 5.5 billion Indonesian Rupiah (AU\$519,123) has been provided for in the financial statements. PTCCI has initiated discussion with its tax consultant and plans to file an objection on this assessment.

**14. Contingent claims and liabilities**

Various claims arise in the ordinary course of business against iCar Asia Limited and its subsidiaries. There has been no significant change in status of claims at 30 June 2021 and the directors believe that any resulting liability would not materially affect the financial position of the Group.

**15. Subsequent events**

On 19 August 2021, Catcha Group Pte Ltd exercised 7,555,553 options it held in iCar Asia Ltd at an exercise price of \$0.20 each, totalling \$1,511,111, of which \$1,000,000 was satisfied by way of offset against the Catcha Loan Facility (refer note 12) and the remaining \$511,111 was received in cash.

There have not been any other other transactions or events of a material nature between the end of the reporting period and the date of this report, in the opinion of the Directors of the Group, to affect significantly the operations of the Group, the results of those operations, or state of affairs of the Group in future periods.

## Independent Auditor's Review Report to the Members of iCar Asia Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of iCar Asia Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 30 June 2021, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Ernst & Young*

Ernst & Young

*BJ Pollock*

BJ Pollock  
Partner  
Melbourne  
31 August 2021

**iCar Asia Limited and Controlled Entities**  
**Corporate Directory**  
**30 June 2021**

Directors	Georg Chmiel (Executive Chairman) Hamish Stone (Managing Director and Group Chief Executive Officer) Patrick Grove Lucas Elliott Syed Khalil Ibrahim Peter Everingham Richard Kuo
Group Chief Executive Officer	Hamish Stone Hamish.Stone@icarasia.com
Group 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	<a href="http://www.icarasia.com">www.icarasia.com</a>
Corporate Governance Statement	<a href="http://www.icarasia.com/investor-relations/corporate-governance/">http://www.icarasia.com/investor-relations/corporate-governance/</a>