



iCar Asia Limited and Controlled Entities

ACN 157 710 846

Appendix 4E and Preliminary Financial Report for the Year Ended 31 December 2020

Content

ICAR ASIA LIMITED (ICQ) / ACN 157 710 846

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Appendix 4E

1. Company information

Name of entity	iCar Asia Limited
ABN or equivalent company reference	ACN 157 710 846
Reporting period	31 December 2020 (Comparative period 31 December 2019)

2. Results of announcement to the market

Statutory Financial Results	Dec-20 \$000	Dec-19 \$000	Movement \$000	Change
Revenues from ordinary operations	14,056	14,841	(786)	(5%)
Loss from ordinary activities after tax attributable to members	(10,669)	(10,787)	118	(1%)
Loss after tax attributable to members	(10,669)	(10,787)	118	(1%)
Earnings before interest, tax, depreciation, and amortisation (EBITDA)	(6,406)	(6,737)	331	(5%)
Receipts from customers	14,099	16,075	(1,976)	(12%)
Net cash used in operating activities	(5,506)	(6,559)	1,053	(16%)
Net cash used in investing activities	(845)	(3,129)	2,284	(73%)
	<u>Cents</u>	<u>Cents</u>		
Loss per Share (basic & diluted)	(2.49)	(2.65)	0.16	(6%)
NTA per Share	(1.11)	0.44	(1.55)	(354%)

Pro Forma Financial Results	Dec-20 \$000	Dec-19 \$000	Movement \$000	Change
Revenues from ordinary operations	14,056	14,841	(786)	(5%)
Loss from ordinary activities after tax attributable to members	(10,669)	(10,787)	118	(1%)
Loss after tax attributable to members	(10,669)	(10,787)	118	(1%)
Earnings before interest, tax, depreciation, amortisation and equity incentives (EBITDAE)	(4,820)	(5,511)	691	(13%)

3. Dividends

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

4. Review and results of operations

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.

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 despite the inclusion of Carmudi's full year cost base (2019: \$21,028,080). 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. 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.

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.

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.

4. Review and results of operations (continued)

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 listing 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 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.

4. Review and results of operations (continued)

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.

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	-	1,586	-
Tax impact from underlying adjustments	-	-	-
Pro forma results	14,056	(4,820)	(10,669)

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	-
Tax impact from underlying adjustments	-	-	-
Pro forma results	14,841	(5,511)	(10,787)

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.

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

4. Review and results of operations (continued)

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.

5. Net tangible asset per ordinary security

	Current period	Previous period
Net tangible asset per ordinary security	(1.11) cents	0.44 cents

In accordance with Chapter 19 of the ASX Listing Rules, net tangible assets per share represents the total assets, including right-of-use assets, less intangible assets, less liabilities ranking ahead of, or equally with, ordinary share capital and divided by the number of ordinary shares on issue at the end of the year.

6. Other information

Additional Appendix 4E disclosure requirements can be found in the attached Preliminary Financial Report. This report is based on accounts which are in the process of being audited.



Georg Chmiel
Executive Chairman
Kuala Lumpur
26 February 2021

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

		Consolidated	
	Note	2020	2019
		\$	\$
Revenue			
Revenue from contracts with customers	2	13,837,374	14,794,901
Other revenue	2	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	3	(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	3	(3,756,006)	(3,505,978)
Operating loss		(10,162,350)	(10,243,143)
Interest income		15,332	101,364
Interest expense	3	(382,476)	(440,971)
Loss before tax		(10,529,494)	(10,582,750)
Income tax expense		(139,024)	(203,807)
Loss after income tax expense for the year attributable to the owners of iCar Asia Limited and Controlled Entities		(10,668,518)	(10,786,557)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(3,566,878)	1,481,497
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		(3,411,757)	1,563,762
Total comprehensive income for the year attributable to the owners of iCar Asia Limited and Controlled Entities		(14,080,275)	(9,222,795)
Earnings Per Share		Cents	Cents
Basic loss per share	4	(2.49)	(2.65)
Diluted loss per share	4	(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

		Consolidated	
		31 Dec 2020	31 Dec 2019
		\$	\$
	Note		Restated
Assets			
Current assets			
Cash and cash equivalents		2,165,797	6,833,304
Trade and other receivables and contract assets		1,412,983	1,249,544
Other assets		2,733,676	3,303,142
Total current assets		6,312,456	11,385,990
Non-current assets			
Property, plant and equipment		517,689	708,359
Right-of-use assets		1,501,635	1,048,542
Intangibles	7	8,196,299	10,092,524
Goodwill	7	22,903,087	25,063,277
Other non-current assets		-	83,314
Total non-current assets		33,118,710	36,996,016
Total assets		39,431,166	48,382,006
Liabilities			
Current liabilities			
Trade and other payables		3,471,486	3,886,286
Contract liabilities		1,702,295	1,838,120
Lease liabilities		663,039	513,255
Provisions		1,422,821	1,301,780
Other current liabilities		2,157,821	2,280,649
Borrowings	8	1,715,669	-
Total current liabilities		11,133,131	9,820,090
Non-current liabilities			
Provisions		830,016	743,149
Lease liabilities		856,305	490,823
Deferred tax liabilities		109,733	121,345
Total non-current liabilities		1,796,054	1,355,317
Total liabilities		12,929,185	11,175,407
Net assets		26,501,981	37,206,599
Equity			
Issued capital		134,170,159	132,051,813
Reserves		(6,680,677)	(4,252,538)
Accumulated losses		(100,987,501)	(90,592,676)
Total equity		26,501,981	37,206,599

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	3,805,644	(10,557,292)	2,499,110	(90,474,104)	37,325,171
Loss after income tax expense for the period	-	-	-	-	(10,668,518)	(10,668,518)
Other comprehensive income for the period, net of tax	-	(3,566,877)	-	-	155,121	(3,411,756)
Total comprehensive income for the period	-	(3,566,877)	-	-	(10,513,397)	(14,080,274)
<i>Transactions with owners in their capacity as owners</i>						
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	-	-	-	308,000	-	308,000
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	238,767	(10,655,843)	3,736,399	(100,987,501)	26,501,981

	Issued capital	Foreign currency translation and Other reserve	Equity reserve	Share based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2019 restated	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 (restated)	-	1,481,498	-	-	82,265	1,563,763
Total comprehensive income for the period	-	1,481,498	-	-	(10,704,292)	(9,222,794)
<i>Transactions with owners in their capacity as owners</i>						
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	132,051,813	3,805,644	(10,557,292)	2,499,110	(90,592,676)	37,206,599

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

iCar Asia Limited and Controlled Entities
Notes to Preliminary Financial Reports
For the year ended 31 December 2020

	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)
	<u>(5,391,046)</u>	<u>(6,323,329)</u>
Interest received	15,940	107,810
Interest paid	<u>(131,088)</u>	<u>(147,695)</u>
Net cash used in operating activities	<u>(5,506,194)</u>	<u>(6,363,214)</u>
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	-	(2,165,597)
Net cash used in investing activities	<u>(845,439)</u>	<u>(3,127,803)</u>
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	<u>(825,371)</u>	<u>(653,530)</u>
Net cash used in financing activities	<u>1,930,184</u>	<u>6,988,425</u>
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	<u>6,833,304</u>	<u>9,531,721</u>
Cash, cash equivalents and investments at the end of the year	<u>2,165,797</u>	<u>6,833,304</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 Preliminary Financial Reports
For the year ended 31 December 2020

1. Significant accounting policies

iCar Asia Limited (“iCar”), is a for-profit entity domiciled in Australia. These financial statements represent the consolidated financial statements of iCar for the financial year ended 31 December 2020 and comprise iCar and its subsidiaries (together referred to as “the consolidated entity” or “the Group”).

Statement of compliance

The preliminary financial report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. This preliminary financial report does not include all the notes included with the annual financial report and should be read in conjunction with the 2020 Annual Report and any public announcements made by the Group during the reporting period in accordance with the disclosure requirements of the ASX listing rules.

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 preliminary 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.

Going concern

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 \$11.1 million exceed current assets of \$6.3 million by \$4.8 million.

The preliminary 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 preliminary 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 8.

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.

1. Significant accounting policies (continued)

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 8. 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 preliminary 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.

New and Amended Standards Adopted

Several amendments and interpretations apply for the first time in FY 2020, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

iCar Asia Limited and Controlled Entities
Notes to Preliminary Financial Reports
For the year ended 31 December 2020

2. 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	4,580,103	5,811,948
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	650,038
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

b. Other revenue

	Consolidated	
	2020	2019
	\$	\$
Dealer lease income	218,373	46,397

iCar Asia Limited and Controlled Entities
Notes to Preliminary Financial Reports
For the year ended 31 December 2020

3. Expenses

	Consolidated	
	2020	2019
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	124,640	90,626
Plant and equipment	186,625	233,720
Fixtures and fittings	26,839	19,503
Right of use assets	854,403	607,370
	<hr/>	<hr/>
Total depreciation	1,192,507	951,219
	<hr/>	<hr/>
<i>Amortisation</i>		
Websites, domain names, trademarks and other intangibles	2,544,127	2,554,759
	<hr/>	<hr/>
Total depreciation, amortisation and impairment	3,736,634	3,505,978
	<hr/>	<hr/>
<i>Finance costs</i>		
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
	<hr/>	<hr/>
Total finance costs	382,476	440,971
	<hr/>	<hr/>
<i>Employment and related expenses</i>		
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
	<hr/>	<hr/>
Total employment and related expenses	11,833,047	11,192,098
	<hr/>	<hr/>

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

iCar Asia Limited and Controlled Entities
Notes to Preliminary Financial Reports
For the year ended 31 December 2020

4. Earnings per Share (EPS)

	Consolidated	
	2020	2019
	cents	cents
Earnings per Share		
Basic loss per share	(2.49)	(2.65)
Diluted loss per share	(2.49)	(2.65)

5. Dividends

No dividends have been declared in respect of the year ended 31 December 2020 (2019: nil).

6. Operating segments

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 preliminary 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.

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6. Operating segments

Operating segment information

	Malaysia \$	Indonesia \$	Thailand \$	Unallocated \$	Total \$
Consolidated - 2020					
Revenue					
Revenues from external customers	6,607,364	2,477,867	4,752,143	-	13,837,374
Other revenue	-	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	7,297,890	22,052,400	6,253,651	39,431,166
Total assets					39,431,166
Non-current assets¹	2,528,424	4,750,032	20,842,003	4,998,251	33,118,710
Liabilities					
Segment liabilities	2,434,976	4,166,626	1,553,114	4,774,469	12,929,185
Total liabilities					12,929,185

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

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6. Operating segments (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 revenue	-	46,396	-	-	46,396
Cost of Sales	(550,382)	-	-	-	(550,382)
Operating expenses	(5,368,528)	(3,328,728)	(5,246,194)	(7,084,630)	(21,028,080)
Loss before Interest, tax, depreciation and amortisation	1,554,725	(1,387,664)	180,404	(7,084,630)	(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)	(9,791,854)	(10,582,750)
Income tax expense	-	-	-	(203,807)	(203,807)
Loss after income tax expense					(10,786,557)
Assets					
Segment assets	5,134,184	8,291,223	24,875,284	10,081,315	48,382,006
Total assets					48,382,006
Non-current assets¹	2,316,031	5,006,302	23,405,064	6,268,619	36,996,016
Liabilities					
Segment liabilities	2,001,523	4,577,134	2,109,450	2,487,300	11,175,407
Total liabilities					11,175,407

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

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7. Non-current assets- Intangibles and Goodwill

	Consolidated	
	2020	2019
	\$	\$
		Restated
Goodwill - at cost	22,903,087	25,063,277
Other intangible assets - at cost	26,502,528	24,568,134
Less: Accumulated amortisation	(18,306,229)	(14,475,610)
	<u>8,196,299</u>	<u>10,092,524</u>
	<u>31,099,386</u>	<u>35,155,801</u>

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*)	3,838,610	551,570	-	4,390,180
Exchange differences	1,567,897	226,851	163,700	1,958,448
Amortisation expense	<u>-</u>	<u>(310,501)</u>	<u>(2,244,258)</u>	<u>(2,554,759)</u>
Balance at 31 December 2019	25,063,277	3,907,398	6,185,126	35,155,801
Additions	-	-	1,934,395	1,934,395
Exchange differences	(2,160,190)	(378,345)	(908,148)	(3,446,683)
Amortisation expense	<u>-</u>	<u>(311,145)</u>	<u>(2,232,982)</u>	<u>(2,544,127)</u>
Balance at 31 December 2020	<u>22,903,087</u>	<u>3,217,908</u>	<u>4,978,391</u>	<u>31,099,386</u>

* The amount of goodwill and other intangibles are restated and did not correspond to the figures in 2019 financial statements since adjustments to the final valuation of acquisition of PT Car Classifieds Indonesia were made.

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.

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

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 \$3,361,526 (2019: \$3,717,264) 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. The acquisition date fair value is provisional.

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
	<u>8,196,299</u>	<u>10,092,524</u>

8. Borrowings

Catcha Facility

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.

At 31 December 2020, the Group had drawn down \$2,000,000 on the facility (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.

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8. Borrowings (continued)

- 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 for the loan facility for the period ended 31 December 2020 is \$136,000 (31 December 2019: \$217,600).

As disclosed in Note 9, 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 2020 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 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.

9. Subsequent events

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 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.