

8 December 2021

## Scheme Booklet registered with ASIC

iCar Asia Limited (ASX:ICQ) ("iCar") refers to its announcement earlier today and is pleased to now announce that the Australian Securities and Investments Commission has registered its scheme booklet ("**Scheme Booklet**") in relation to the proposed acquisition of iCar by Carsome Group Pte Ltd by way of a scheme of arrangement, as announced on 18 October 2021.

A copy of the Scheme Booklet is attached to this announcement.

This announcement has been approved by the IBC.

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For more information please contact:

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**About iCar Asia Limited ([www.icarasia.com](http://www.icarasia.com))**

Listed on the Australia Securities Exchange, iCar Asia (ASX: ICQ) owns and operates ASEAN's No.1 network of automotive portals.

Headquartered in Kuala Lumpur, Malaysia, the company is focused on developing and operating leading automotive portals in Malaysia, Indonesia and Thailand. iCar Asia is continuously working to capitalise on its market-leading positions, with its online properties currently reaching approximately 10 million car buyers and sellers in the region every month.

**iCar Asia Network of websites**

- Malaysia: Carlist.my
- Malaysia: LiveLifeDrive.com
- Malaysia: CarlistBid (bid.carlist.my)
- Indonesia: Mobil123.com
- Indonesia: Carmudi.co.id
- Indonesia: Otospirit.com
- Indonesia: Mobil123Bid (bid.mobil123.com)
- Thailand: One2Car.com
- Thailand: Autospinn.com
- Thailand: Thaicar.com
- Thailand: One2CarBid (bid.one2car.com)
- Group: iCarData (icardata.icarasia.com)

**iCar Asia Limited (ACN 157 710 846)**

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**Attachment: Scheme Booklet**



## Scheme Booklet

This Scheme Booklet relates to a scheme of arrangement between iCar Asia Limited ACN 157 710 846 and the Scheme Shareholders which, if implemented, will result in Carsome Group Pte. Ltd. UEN 202020792D acquiring all of the Scheme Shares.

The notice for the Scheme Meeting is included in this Scheme Booklet. A proxy form for the Scheme Meeting also accompanies this Scheme Booklet.

# VOTE IN FAVOUR

The iCar Independent Board Committee unanimously recommends that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Independent iCar Shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Independent iCar Shareholders, in the absence of a Superior Proposal.

**This is an important document and requires your immediate attention.**

**You should read it entirely before deciding whether or not to vote in favour of the Scheme.**

**If you are in any doubt about how to deal with this document, you should contact your broker or financial, taxation, legal or other professional adviser immediately.**

**If, after reading this Scheme Booklet, you have any questions in relation to this Scheme Booklet or the Scheme, please contact the iCar Shareholder information line on 1300 237 569 (within Australia) or +61 2 9066 4054 (outside Australia), between 8:30am and 5:00pm (Sydney time), Monday to Saturday (excluding Australian national public holidays).**

FINANCIAL ADVISER



LEGAL ADVISER



HERBERT  
SMITH  
FREEHILLS



# Important Notices

## General

This Scheme Booklet is important and requires your immediate attention. You should read this Scheme Booklet in full before making any decision as to how to vote at the Scheme Meeting.

## Nature of this Scheme Booklet

This Scheme Booklet includes the explanatory statement for the Scheme required by subsection 412(1) of the Corporations Act.

This Scheme Booklet does not constitute or contain an offer to Independent iCar Shareholders, or a solicitation of an offer from Independent iCar Shareholders, in any jurisdiction. This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act. Subsection 708(17) of the Corporations Act provides that Chapter 6D of the Corporations Act does not apply in relation to arrangements under Part 5.1 of the Corporations Act approved at a meeting held as a result of an order under subsection 411(1) of the Corporations Act. Instead, Independent iCar Shareholders asked to vote on an arrangement at such a meeting must be provided with an explanatory statement as referred to above.

## ASIC and ASX

A copy of this Scheme Booklet has been registered by ASIC for the purposes of subsection 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with subsection 411(2) of the Corporations Act. Neither ASIC, nor any of its officers, takes any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with paragraph 411(17)(b) of the Corporations Act, that it has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Court hearings to approve the Scheme.

A copy of this Scheme Booklet has been provided to the ASX. Neither the ASX, nor any of its officers, takes any responsibility for the contents of this Scheme Booklet.

## Important notice associated with Court order under subsection 411(1) of the Corporations Act

The fact that, under subsection 411(1) of the Corporations Act, the Court has ordered that a meeting be convened and has approved the explanatory statement required to accompany the Notice of Scheme Meeting does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how Independent iCar Shareholders should vote (on this matter Independent iCar Shareholders must reach their own conclusion); or
- has prepared, or is responsible for the content of, the explanatory statement.

## Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Annexure 4.

## Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting. Any iCar Shareholder may appear at the Second Court Hearing, currently expected to be held at 9:15am (Sydney time) on Wednesday, 2 February 2022 at the Law Courts Building, 184 Phillip Street, Sydney, New South Wales, 2000. Any iCar Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on iCar a notice of appearance in the prescribed form together with any affidavit that the iCar Shareholder proposes to rely on.

## No investment advice

This Scheme Booklet has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any iCar Shareholder or any other person. The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice. The iCar Directors encourage you to seek independent financial and taxation advice before making any investment decision and any decision as to whether or not to vote in favour of the Scheme. This Scheme Booklet should be read in its entirety before making a decision on whether or not to

vote in favour of the Scheme. In particular, it is important that you consider the potential risks if the Scheme does not proceed, as set out in section 7, and the views of the Independent Expert set out in the Independent Expert's Report contained in Annexure 1. If you are in doubt as to the course you should follow, you should consult an independent and appropriately licensed and authorised professional adviser immediately.

## Forward looking statements

Some of the statements appearing in this Scheme Booklet (including in the Independent Expert's Report) may be in the nature of forward looking statements. Forward looking statements or statements of intent in relation to future events in this Scheme Booklet (including in the Independent Expert's Report) should not be taken to be forecasts or predictions that those events will occur. Forward looking statements generally may be identified by the use of forward looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', or other similar words. Similarly, statements that describe the objectives, plans, goals, intentions or expectations of iCar or Carsome are or may be forward looking statements. You should be aware that such statements are only opinions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to iCar or Carsome and / or the industries in which they operate, as well as factors and risks relating to the ongoing COVID-19 pandemic, general economic conditions, prevailing exchange rates and interest rates and conditions in financial markets.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. None of iCar, Carsome, or their respective officers, directors, employees or advisers or any person named in this Scheme Booklet or any person involved in the preparation of this Scheme Booklet makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. Accordingly, you are cautioned not to place undue reliance on those statements.

Any forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Subject to any continuing obligations under the Listing Rules or the Corporations Act, iCar and Carsome and their respective officers, directors, employees and advisers, disclaim any obligation or undertaking to distribute after the date of this Scheme Booklet any updates or revisions to any forward looking statements to reflect (a) any change in expectations in relation to such statements; or (b) any change in events, conditions or circumstances on which any such statement is based.

## Responsibility statement

iCar has prepared, and is responsible for, the iCar Information. Neither Carsome nor any of its Subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

Carsome has prepared, and is responsible for, the Carsome Information. Neither iCar nor any of its Subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

Greenwoods & Herbert Smith Freehills has prepared, and is responsible for, the information set out in section 8 of this Scheme Booklet. None of iCar or Carsome or any of their respective subsidiaries, directors, officers, employees or other advisers assume any responsibility for the accuracy or completeness of the information contained in section 8 of this Scheme Booklet.

Loneragan Edwards & Associates Limited has prepared the Independent Expert's Report (as set out in Annexure 1) and takes responsibility for that report. None of iCar or Carsome or any of their respective Subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report, except, in the case of iCar, in relation to the information which it has provided to the Independent Expert.

No consenting party has withdrawn their consent to be named before the date of this Scheme Booklet.



### Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. iCar disclaims all liabilities to such persons who contravene these laws.

iCar Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

No action has been taken to register or qualify this Scheme Booklet or any aspect of the transaction in any jurisdiction outside of Australia.

This Scheme Booklet has been prepared in accordance with the laws of Australia and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

### Financial amounts and effects of rounding

All financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated. A number of figures, amounts, percentages, estimates, calculations of value and fractions in the Scheme Booklet are subject to the effect of rounding. Accordingly, any discrepancies between totals in tables or financial statements, or in calculations, graphs or charts are due to rounding. All financial and operational information set out in this Scheme Booklet is current as at the date of this Scheme Booklet, unless otherwise stated.

### Charts and diagrams

Any diagrams, charts, graphs or tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs and tables is based on information available as at the Last Practicable Date.

### Timetable and dates

All times and dates referred to in this Scheme Booklet are times and dates in Sydney, Australia, unless otherwise indicated. All times and dates relating to the implementation of the Scheme referred to in this Scheme Booklet may change and, among other things, are subject to any necessary approvals from Government Agencies.

### External websites

Unless expressly stated otherwise, the content of the websites of iCar and Carsome do not form part of this Scheme Booklet and Independent iCar Shareholders should not rely on any such content.

### Tax consequences of the Scheme

If the Scheme becomes Effective, there will be tax consequences for the Scheme Shareholders which may include tax being payable. For further detail regarding general Australian tax consequences of the Scheme, refer to section 8 of this Scheme Booklet. The tax consequences may vary depending on the nature and characteristics of Scheme Shareholders and their specific circumstances. Accordingly, you should seek professional tax advice in relation to your particular circumstances.

### Privacy

iCar may collect personal information in the process of implementing the Scheme. The type of information that it may collect about you includes your name, contact details and information on your shareholding in iCar and the names of persons appointed by you to act as a proxy, attorney or corporate representative at the Scheme Meeting as relevant to you. The collection of some of this information is required or authorised by the Corporations Act. The primary purpose of the collection of personal information is to assist iCar to conduct the Scheme Meeting and implement the Scheme. Without this information, iCar may be hindered in its ability to issue this Scheme Booklet and implement the Scheme. Personal information of the type described above may be disclosed to the iCar Share Registry, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the Scheme Meeting), authorised securities brokers, professional advisers, related bodies corporate of iCar, Government Agencies, and also where disclosure is otherwise required or allowed by law. Independent iCar Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. If you would like to obtain details of the information about you held by the iCar Share Registry in connection with iCar Shares, please contact the iCar Share Registry. Independent iCar Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should ensure that they inform such an individual of the matters outlined above. Further information about how iCar collects, uses and discloses personal information is contained in iCar's Privacy Policy located at [www.icarasia.com/privacy](http://www.icarasia.com/privacy).

### Date of Scheme Booklet

This Scheme Booklet is dated 8 December 2021.

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# Letter from the Chairman of iCar

8 December 2021

**Dear fellow iCar Shareholder,**

Proposed acquisition of iCar Asia Limited by Carsome Group Pte Ltd

On behalf of the iCar Independent Board Committee, I am pleased to provide you with this Scheme Booklet which contains important information for your consideration about the proposed acquisition of iCar by Carsome by way of a scheme of arrangement.

## **Background to the Scheme**

On 18 October 2021, iCar announced that it had entered into the Scheme Implementation Deed with Carsome under which it is proposed that Carsome will acquire all of the shares in iCar held by Independent iCar Shareholders<sup>1</sup> as at the Scheme Record Date for \$0.53 cash per iCar Share by way of a scheme of arrangement. Carsome is a private company incorporated in Singapore, and operates an integrated automotive e-commerce platform across Malaysia, Indonesia, Thailand and Singapore.

Earlier, on 13 July 2021, Carsome announced that it had entered into the Carsome/Catcha Sale Agreement, under which Carsome subsequently acquired an approximate 19.89% interest in iCar from Catcha in exchange for shares in Carsome. Carsome also announced that it had entered into a Joint Bid Agreement with Catcha, pursuant to which the parties would cooperate in respect of the potential acquisition of iCar and Carsome would, subject to the Scheme becoming Effective, acquire the remaining iCar Shares controlled by Catcha immediately after the implementation of the Scheme (or such other time agreed between Carsome and Catcha) in exchange for shares in Carsome. Further information is set out in section 6.5 and 9.8 of this Scheme Booklet.

Carsome and Catcha have obtained joint bid relief from ASIC in respect of the Carsome/Catcha Sale Agreement and Joint Bid Agreement. The relief granted is subject to a requirement for Carsome and Catcha to 'match or accept' a higher rival bid (being a bid or scheme offering more than 105% of the value of the Scheme Consideration or any relevant matching offer) and to not vote against a higher rival scheme in the circumstances set out in the Joint Bid Relief Instrument. Further information is set out in section 9.11(c).

In order for the Scheme to be implemented it must be approved at a meeting of Independent iCar Shareholders and by the Court. The Scheme remains subject to customary conditions, including the Independent Expert continuing to conclude that the Scheme is in the best interests of Independent iCar Shareholders, no iCar Material Adverse Change and no iCar Prescribed Occurrences.<sup>2</sup> The Scheme is not conditional on regulatory approvals, financing or due diligence.

The purpose of this Scheme Booklet is to provide you with information about the Scheme to assist you to determine how to vote on the Scheme at the Scheme Meeting.

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<sup>1</sup> Independent iCar Shareholders comprise iCar Shareholders other than the Excluded Shareholders, being (i) any iCar Shareholder who is a member of the Carsome Group as at the Scheme Record Date, (ii) ICQ Holdings Bhd, a subsidiary of Catcha Group Pte Ltd, and (iii) Catcha Group Pte Ltd.

<sup>2</sup> Further details on conditions can be found in section 4.3 of this Scheme Booklet.

# Letter from the Chairman of iCar (continued)

## Overview of the Scheme

If the Scheme is approved and implemented, Independent iCar Shareholders will receive \$0.53 in cash for each iCar Share they hold as at the Scheme Record Date.

The Scheme Consideration implies a fully diluted equity value for iCar of approximately \$241 million<sup>3</sup> and represents:

- an 87% premium to the 1 month volume weighted average price (**VWAP**) of \$0.284 per share to 9 July 2021, being the last trading day prior to iCar announcing that it had received a non-binding indicative proposal from Carsome;
- a 78% premium to the 3 month VWAP of \$0.297 per share to 9 July 2021;
- an enterprise value<sup>4</sup> / revenue multiple for the twelve months ending 30 June 2021 of 15.2x; and
- an increase of \$0.03 per share (6%) compared with the non-binding indicative proposal from Autohome announced on 30 October 2020, which was withdrawn on 20 July 2021.

## Recommendation of the iCar Independent Board Committee

The iCar Independent Board Committee<sup>5</sup> unanimously recommends that Independent iCar Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Independent iCar Shareholders. Subject to those same qualifications, each member of the iCar Independent Board Committee intends to vote, or cause to be voted, all the iCar Shares held or controlled by them in favour of the Scheme at the Scheme Meeting.

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<sup>3</sup> Calculated based on fully diluted equity value, including 449,830,496 iCar Shares on issue, iCar Options and iCar Performance Rights as set out in section 5.7 of this Scheme Booklet, and the shares in iCar determined to be payable to iCar Directors as remuneration in respect of the period prior to implementation of the Scheme as set out in section 9.3 of this Scheme Booklet.

<sup>4</sup> Enterprise value of approximately \$244 million based on a fully diluted equity value less cash consideration received on exercise of iCar Options, noting their exercise price as set out in section 5.7 of this Scheme Booklet, plus net debt of \$2.8 million as at 30 June 2021.

<sup>5</sup> The iCar Board comprises Georg Chmiel, Hamish Stone, Patrick Grove, Lucas Elliott, Syed Khalil Ibrahim, Peter Everingham and Richard Kuo. All of the iCar Directors, other than Patrick Grove, Lucas Elliott and Syed Khalil Ibrahim, are members of the iCar Independent Board Committee. In light of the arrangements summarised in sections 6.5 and 9.8 of this Scheme Booklet, Patrick Grove and Lucas Elliott, who are together the sole shareholders of Catcha, have recused themselves from discussions on the Scheme and abstain from giving a recommendation in respect of how Independent iCar Shareholders should vote on the Scheme. Patrick Grove is also a Catcha nominee director on the Carsome Board. Furthermore, Syed Khalil Ibrahim has also recused himself from discussions on the Scheme and abstains from giving a recommendation in respect of how Independent iCar Shareholders should vote on the Scheme, given his investment and interest in a fund which has a small investment in Carsome.



Details of the interests of the iCar Directors (including the members of the iCar Independent Board Committee) in iCar are set out in section 9.1 of this Scheme Booklet.<sup>6</sup> Furthermore, details on the treatment of any outstanding remuneration payable to iCar Directors (including the members of the iCar Independent Board Committee) in respect of the period prior to implementation of the Scheme are set out in section 9.3 of this Scheme Booklet.<sup>7</sup> Independent iCar Shareholders should have regard to these details in the context of the recommendation of the iCar Independent Board Committee, which appears throughout this Scheme Booklet, when considering how to vote on the Scheme.

In forming its unanimous recommendation, the iCar Independent Board Committee carefully considered the following reasons (which are explained in more detail in Section 1.1 of this Scheme Booklet):

- the Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Independent iCar Shareholders, in the absence of a Superior Proposal. The Independent Expert has assessed the fully diluted value of iCar Shares to be in the range of \$0.45 and \$0.50 on a 100% controlling interest basis. The Scheme Consideration of \$0.53 per iCar Share is above this range;
- the Scheme Consideration of \$0.53 cash per iCar Share represents an attractive premium;
- the Scheme Consideration of \$0.53 cash per iCar Share equates to an attractive acquisition multiple, which compares favourably to the multiples of comparable precedent transactions;
- the Scheme Consideration provides you with certain and immediate cash value for your iCar Shares, together with full liquidity in respect of your iCar Shares;
- if the Scheme proceeds, you will avoid ongoing risks and uncertainties associated with iCar's business and equity markets;
- iCar's share price will continue to be subject to market volatility and, in the absence of a Superior Proposal, is likely to fall if the Scheme is not implemented;
- iCar and its advisers have actively explored with a number of parties whether they could propose a superior change of control proposal for iCar but since the receipt of the proposal from Carsome, no Superior Proposal has emerged; and

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<sup>6</sup> Georg Chmiel and Hamish Stone have each entered into a tripartite deed with iCar and Carsome, under which, subject to the Scheme becoming Effective (and assuming there is no increase to the Scheme Consideration, which would result in a corresponding increase in the cash amounts payable):

- Georg Chmiel is entitled to a cash amount of \$130,000, payable by Carsome on the Implementation Date, in exchange for deciding not to exercise his 1,000,000 iCar Options; and
- Hamish Stone is entitled to a cash amount of \$1,324,050, payable by Carsome on the Implementation Date (i) in exchange for agreeing to the cancellation and extinguishment of his entitlements to be issued (upon vesting and subject to shareholder approval) 1,207,483 iCar Shares pursuant to the LTVC Scheme and LTI Plan for 2019, and (ii) in lieu of the grant of his entitlements to be issued (upon vesting and subject to shareholder approval) 1,290,724 iCar Shares pursuant to the LTI Plan for 2020 (which have been approved by the iCar Board but not yet granted).

Hamish Stone is also eligible to participate in the LTI Plan for 2021 (noting that the iCar Board will make a determination on the grant of any Future 2021 LTI Performance Rights in the usual course in early 2022).

Please refer to sections 9.1 and 9.2 of this Scheme Booklet for further details.

Each of Georg Chmiel and Hamish Stone considers that, despite these arrangements, it is appropriate for them to make a recommendation on the Scheme. In addition, the iCar Independent Board Committee (excluding Georg Chmiel and Hamish Stone) also considers that it is appropriate for each of Georg Chmiel and Hamish Stone to make a recommendation on the Scheme given the importance of the Scheme, their respective roles in the operation and management of iCar and their deep industry knowledge.

<sup>7</sup> The iCar Independent Board Committee considers that, notwithstanding the treatment of any outstanding remuneration payable to iCar Directors in respect of the period prior to implementation of the Scheme, it is appropriate for the iCar Independent Board Committee to provide a recommendation on the Scheme.

## Letter from the Chairman of iCar (continued)

- if the Scheme is not implemented, iCar may need to raise new equity capital to strengthen its balance sheet.

In determining to unanimously recommend the Scheme to Independent iCar Shareholders, the iCar Independent Board Committee also considered the disadvantages of the Scheme proceeding, and reasons why you may consider voting against the Scheme, which include the following:

- you may disagree with the iCar Independent Board Committee's recommendation and the Independent Expert's conclusion;
- you may wish to continue your investment in iCar and continue to share in any potential upside or downside associated with that investment (which you will not be able to do if the Scheme becomes Effective);
- the tax consequences of the Scheme may not be suitable for certain Independent iCar Shareholders;
- you may wish to maintain your investment profile; and
- you may consider that there is potential for a Superior Proposal to be made in the foreseeable future (which would not eventuate if the Scheme becomes Effective).

Further details on these reasons are provided in Section 1.2 of this Scheme Booklet.

### Independent Expert

The iCar Independent Board Committee appointed Lonergan Edwards & Associates as the Independent Expert to assess the merits of the Scheme. The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Independent iCar Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the fully diluted value of iCar Shares to be in the range of \$0.45 and \$0.50 on a 100% controlling interest basis. The Scheme Consideration of \$0.53 per iCar Share is above this range.

A complete copy of the Independent Expert's Report is included as Annexure 1 to this Scheme Booklet.

### How to vote

Your vote is important and I encourage you to vote on this significant proposed transaction by participating in the virtual Scheme Meeting scheduled to be held at 2:00pm (Sydney time) on Monday, 31 January 2022, via the online platform at <https://web.lumiagm.com/399-348-405>. Alternatively, you may appoint a proxy, attorney, or if you are a body corporate, a duly appointed corporate representative, to attend the Scheme Meeting and vote on your behalf.

If you do not wish, or are unable, to attend the Scheme Meeting, I encourage you to submit a directed proxy vote by either completing the proxy form enclosed with this Scheme Booklet or by lodging your proxy online at <https://www.votingonline.com.au/icqsm2022> in accordance with the instructions there (as applicable) so that it is received by no later than 2:00pm (Sydney time) on Saturday, 29 January 2022. Even if you plan to attend the Scheme Meeting, I encourage you to submit a directed proxy vote so that your vote will be counted if for any reason you cannot join the meeting (for example, if there is an issue with your internet connection on the day of the meeting).

The Scheme will only become Effective if it is approved by:

- at least 75% of the total number of votes cast on the Scheme Resolution by Independent iCar Shareholders; and
- more than 50% of Independent iCar Shareholders present and voting at the Scheme Meeting (unless the Court orders otherwise).

If you wish for the Scheme to proceed, it is important that you vote in favour of the Scheme.



### **Further information**

This Scheme Booklet sets out important information regarding the Scheme, including the reasons for the iCar Independent Board Committee's recommendation and the Independent Expert's Report. It also sets out reasons why you may wish to vote against the Scheme, as well as the risks associated with the Scheme (which are set out in section 7 of this Scheme Booklet).

Please read this document carefully and in its entirety as it will assist you in making an informed decision as to how to vote. I would also encourage you to seek independent financial, legal and taxation advice before making any investment decision in relation to your iCar Shares.

If you require any further information, please contact the iCar Shareholder information line on 1300 237 569 (within Australia) or +61 2 9066 4054 (outside Australia), between 8:30am and 5:00pm (Sydney time), Monday to Saturday (excluding Australian national public holidays).

On behalf of the iCar Independent Board Committee, I would like to take this opportunity to thank you for your ongoing support. I look forward to your participation in the Scheme Meeting and encourage you to vote in favour of the Scheme, which the iCar Independent Board Committee believes, and the Independent Expert has concluded, is fair and reasonable and therefore in the best interests of Independent iCar Shareholders, in the absence of a Superior Proposal.

**Yours sincerely**

A handwritten signature in black ink, appearing to read 'Georg Chmiel', with a stylized flourish at the end.

**Georg Chmiel**  
**Executive Chairman**

## Key dates

Event	Time and date
First Court Date	Wednesday, 8 December 2021
Date of this Scheme Booklet	Wednesday, 8 December 2021
Latest time and date for receipt of proxy forms or powers of attorney by the iCar Share Registry for the Scheme Meeting	2:00pm on Saturday, 29 January 2022
Time and date for determining eligibility to vote at the Scheme Meeting	7:00pm on Saturday, 29 January 2022
<b>Scheme Meeting</b> The Scheme Meeting will be held virtually. There will not be a physical meeting. Further details relating to the Scheme Meeting are set out in the Notice of Scheme Meeting set out at Annexure 4 to this Scheme Booklet.	2:00pm on Monday, 31 January 2022
<b>If the Scheme is approved by Independent iCar Shareholders</b>	
Court hearing to approve the Scheme (Second Court Date)	Wednesday, 2 February 2022
<b>Effective Date</b> Court order lodged with ASIC and announcement to ASX Last day of trading in iCar Shares – iCar Shares will be suspended from trading on ASX from close of trading	Wednesday, 2 February 2022
<b>Scheme Record Date</b> (for determining entitlements to Scheme Consideration)	7:00pm on Monday, 7 February 2022
<b>Implementation Date</b> Provision of Scheme Consideration	Thursday, 10 February 2022

All times and dates in the above timetable are references to the time and date in Sydney, Australia and all such times and dates are subject to change. Certain times and dates are conditional on the approval of the Scheme by Independent iCar Shareholders and by the Court. Any changes will be announced by iCar to the ASX.

# 1. Key considerations relevant to your vote

## 1.1 Reasons why you should vote in favour of the Scheme

- (a) **The iCar IBC unanimously recommends that Independent iCar Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of Independent iCar Shareholders**

The iCar IBC believes that the Scheme is in the best interests of Independent iCar Shareholders, and unanimously recommends that Independent iCar Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Independent iCar Shareholders. Subject to those same qualifications, each member of the iCar IBC intends to vote, or cause to be voted, all the iCar Shares held or controlled by them in favour of the Scheme at the Scheme Meeting.

Details of the interests of the iCar Directors (including the iCar IBC Members) in iCar are set out in section 9.1.<sup>8</sup> Furthermore, details on the treatment of any outstanding remuneration payable to iCar Directors (including the iCar IBC Members) in respect of the period prior to implementation of the Scheme are set out in section 9.3.<sup>9</sup> Independent iCar Shareholders should have regard to these details in the context of the recommendation of the iCar IBC, which appears throughout this Scheme Booklet, when considering how to vote on the Scheme.

In reaching their recommendation, the iCar IBC has considered the advantages and disadvantages of the Scheme, including the information contained in:

- this Section 1.1 (*Reasons why you should vote in favour of the Scheme*);
- Section 1.2 (*Reasons you may wish to vote against the Scheme*);
- Section 7 (*Risk factors*); and
- Annexure 1 (*Independent Expert's Report*).

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<sup>8</sup> Georg Chmiel and Hamish Stone have each entered into a tripartite deed with iCar and Carsome, under which, subject to the Scheme becoming Effective (and assuming there is no increase to the Scheme Consideration, which would result in a corresponding increase in the cash amounts payable):

- Georg Chmiel is entitled to a cash amount of \$130,000, payable by Carsome on the Implementation Date, in exchange for deciding not to exercise his 1,000,000 iCar Options; and
- Hamish Stone is entitled to a cash amount of \$1,324,050, payable by Carsome on the Implementation Date (i) in exchange for agreeing to the cancellation and extinguishment of his entitlements to be issued (upon vesting and subject to shareholder approval) 1,207,483 iCar Shares pursuant to the LTVC Scheme and LTI Plan for 2019, and (ii) in lieu of the grant of his entitlements to be issued (upon vesting and subject to shareholder approval) 1,290,724 iCar Shares pursuant to the LTI Plan for 2020 (which have been approved by the iCar Board but not yet granted).

Hamish Stone is also eligible to participate in the LTI Plan for 2021 (noting that the iCar Board will make a determination on the grant of any Future 2021 LTI Performance Rights in the usual course in early 2022).

Please refer to sections 9.1 and 9.2 for further details.

Each of Georg Chmiel and Hamish Stone considers that, despite these arrangements, it is appropriate for them to make a recommendation on the Scheme. In addition, the iCar IBC (excluding Georg Chmiel and Hamish Stone) also considers that it is appropriate for each of Georg Chmiel and Hamish Stone to make a recommendation on the Scheme given the importance of the Scheme, their respective roles in the operation and management of iCar and their deep industry knowledge.

<sup>9</sup> The iCar IBC considers that, notwithstanding the treatment of any outstanding remuneration payable to iCar Directors in respect of the period prior to implementation of the Scheme, it is appropriate for the iCar IBC to provide a recommendation on the Scheme.



# 1. Key considerations relevant to your vote (continued)

**(b) The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Independent iCar Shareholders, in the absence of a Superior Proposal**

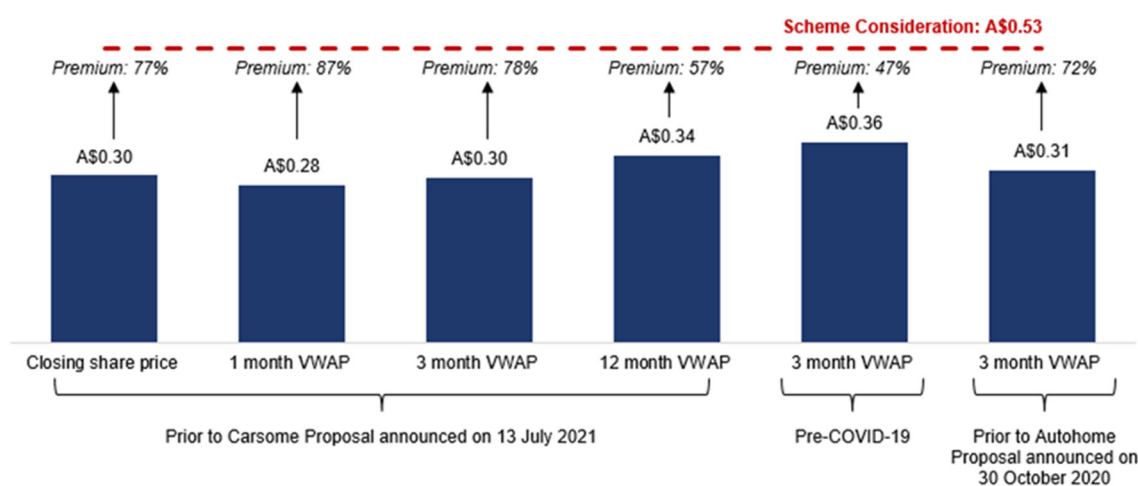
The iCar IBC appointed Lonergan Edwards & Associates as the Independent Expert to provide an opinion on the Scheme. The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Independent iCar Shareholders, in the absence of a Superior Proposal. The Independent Expert has assessed the fully diluted value of iCar Shares to be in the range of \$0.45 and \$0.50 on a 100% controlling interest basis. The Scheme Consideration of \$0.53 per iCar Share is above this range.

The iCar IBC encourages you to read the Independent Expert Report, which is set out in Annexure 1.

**(c) The Scheme Consideration of \$0.53 cash per iCar Share represents an attractive premium**

Under the terms of the Scheme, subject to the Scheme becoming Effective, Scheme Shareholders will receive \$0.53 cash per iCar Share. This represents a premium of:

- 77% to iCar’s closing share price of \$0.30 on 9 July 2021 (the last trading day prior to iCar announcing that it had received a non-binding indicative proposal from Carsome on 13 July 2021);
- 87% to the 1 month VWAP of \$0.284 per share to close of trading on 9 July 2021;
- 78% to the 3 month VWAP of \$0.297 per share to close of trading on 9 July 2021;
- 57% to the 12 month VWAP of \$0.337 per share to close of trading on 9 July 2021;
- 47% to the 3 month VWAP of \$0.361 per share to close of trading on 21 February 2020 (the assumed last trading day prior to the impact of COVID-19<sup>10</sup>);
- 72% to the 3 month VWAP of \$0.309 per share to close of trading on 29 October 2020 (the last trading day prior to iCar announcing that it had received a non-binding indicative proposal from Autohome on 30 October 2020); and
- an increase of \$0.03 per share (6%) compared with the non-binding indicative proposal from Autohome announced on 30 October 2020, which was withdrawn on 20 July 2021.



<sup>10</sup> Since 21 February 2020, Australian and international equity markets have experienced greater volatility than usual as a result of the global economic uncertainty stemming from the COVID-19 pandemic.

**(d) The Scheme Consideration of \$0.53 per iCar Share equates to an attractive acquisition multiple, which compares favourably to the multiples of comparable precedent transactions**

The Scheme Consideration of \$0.53 per iCar Share implies a fully diluted equity value of approximately \$241 million<sup>11</sup> and enterprise value of approximately \$244 million<sup>12</sup>, and represents an enterprise value / revenue multiple for the twelve months ending 30 June 2021 of 15.2x.

This represents an attractive acquisition multiple, which compares favourably to the multiples of comparable precedent transactions, as set out in paragraph 198 of the Independent Expert's Report contained in Annexure 1.

**(e) The Scheme Consideration provides you with certain and immediate cash value for your iCar Shares, together with full liquidity in respect of your iCar Shares**

The Scheme Consideration of \$0.53 per iCar Share will be paid in cash and provides Independent iCar Shareholders with certainty of value for their iCar Shares (subject to the Scheme becoming Effective) and the opportunity for Independent iCar Shareholders to realise certain cash value in the near term, which may not be achieved if the Scheme does not proceed.

The Scheme also provides you with an opportunity to dispose of 100% of your iCar Shares in a single transaction:

- without incurring brokerage; and
- in circumstances where you may (depending on the size of your shareholding) presently face limited opportunities (other than under the Scheme) to achieve full liquidity in respect of your iCar Shares, or may only do so at a discount to the applicable prevailing share price.

**(f) If the Scheme proceeds, Independent iCar Shareholders will avoid ongoing risks and uncertainties associated with iCar's business and equity markets**

Whilst iCar has a range of growth initiatives, it is important to recognise that these growth opportunities take time to fully implement and have risks associated with them, some of which are outside the control of iCar.

If the Scheme is approved and implemented, the Scheme removes these risks and uncertainties and provides Independent iCar Shareholders with certain cash value. If the Scheme does not proceed, the amount which Independent iCar Shareholders will be able to realise in terms of share price growth will be uncertain and subject to risk and Independent iCar Shareholders will remain exposed to the risks and uncertainties associated with continuing to hold iCar Shares. This includes risks related to the ongoing COVID-19 pandemic, equity markets volatility, and general and specific risks related to the business and operations of iCar. The iCar IBC does not expect iCar to pay any dividends in the foreseeable future as cash flow is reinvested in growth.

The iCar IBC believes that the Scheme Consideration provides an attractive opportunity for Independent iCar Shareholders to realise a certain and immediate outcome that fairly values the growth potential of iCar.

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<sup>11</sup> Calculated based on fully diluted equity value, including 449,830,496 iCar Shares on issue and iCar Options and iCar Performance Rights as set out in section 5.7, and the shares in iCar determined to be payable to iCar Directors as remuneration in respect of the period prior to implementation of the Scheme as set out in section 9.3 of this Scheme Booklet.

<sup>12</sup> Enterprise value based on a fully diluted equity value less cash consideration received on exercise of iCar Options, noting their exercise price as set out in section 5.7, plus net debt of \$2.8 million as at 30 June 2021.

# 1. Key considerations relevant to your vote (continued)

The certainty of the Scheme Consideration should be compared with the risks and the uncertainties of remaining an iCar Shareholder, which include, but are not limited to, the risks set out in section 7.

**(g) In the absence of a Superior Proposal, iCar's share price will continue to be subject to market volatility and is likely to fall if the Scheme is not implemented**

If the Scheme is not implemented, iCar Shares will remain quoted on the ASX and will continue to be subject to market volatility, and the impact of general economic conditions (including the prevailing uncertainty with respect to the impact of COVID-19, the COVID-19 Measures and the timing of the economic recovery). These factors may have an impact on the iCar share price in the short, medium and long term.

If the Scheme is not implemented, and in the absence of a Superior Proposal, the price at which iCar Shares trade is likely to fall, including to a price that could possibly be significantly below the Scheme Consideration of \$0.53 per iCar Share.

The 1 month and 3 month VWAPs up until 9 July 2021, being the last trading day prior to iCar announcing that it had received a non-binding indicative proposal from Carsome on 13 July 2021, were \$0.284 and \$0.297 respectively and iCar Shares closed at \$0.30 on 9 July 2021. Over the 12 months before the announcement of the proposal from Carsome, iCar Shares have traded between a low of \$0.23 on 26 April 2021 and a high of \$0.45 on 30 October 2020.<sup>13</sup>



**(h) Since the receipt of the proposal from Carsome, no Superior Proposal has emerged**

iCar first announced the receipt of a non-binding indicative proposal from Autohome on 30 October 2020. The engagement with Autohome was on a non-exclusive basis.

In the period between receipt of the non-binding indicative proposal from Autohome and Autohome's withdrawal of its proposal on 20 July 2021, iCar and its advisers actively explored with a number of parties whether they could propose a superior change of control proposal for iCar. No such proposal emerged until the non-binding indicative proposal from Carsome, which was announced on 13 July 2021.

<sup>13</sup> Based on intraday stock price movements.



Following receipt of the non-binding indicative proposal from Carsome, and prior to entering into the Process Deed with Carsome on 28 July 2021, iCar and its advisers again explored whether alternative parties could propose a superior change of control proposal for iCar.

Since receipt of the proposal from Carsome and up to the date of this Scheme Booklet, no Superior Proposal has emerged and the iCar IBC is not aware, as at the Last Practicable Date, of any Superior Proposal that is likely to emerge.

**(i) If the Scheme is not implemented, iCar may need to raise new equity capital to strengthen its balance sheet**

If the Scheme is not implemented, iCar may seek to raise new equity capital to strengthen its balance sheet to put the iCar Group in a more prudent financial position.

As at the Last Practicable Date, the iCar Group had aggregate debt of approximately \$7.11 million<sup>14</sup> and was cashflow negative. The iCar Group is currently expected to remain cashflow negative during much of the 2022 calendar year. Accordingly, if the Scheme is not implemented and in the absence of a Superior Proposal, iCar may consider it appropriate or necessary to raise new equity capital to strengthen its balance sheet and/or repay some or all of its existing debt.

Any equity raising is expected to be dilutive to existing shareholders who do not participate in the equity raising.

As an alternative to raising new equity capital, iCar could seek to obtain new debt funding. It is noted that there is no assurance that iCar would be able to secure alternative debt funding on acceptable terms (if at all) in the near term.

## 1.2 Reasons you may wish to vote against the Scheme

**(a) You may disagree with the iCar IBC's unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests**

Despite the unanimous recommendation of the iCar IBC, you may hold a different view from, and are not obliged to follow the recommendation of, the iCar IBC, or may not agree with the Independent Expert's conclusion. In concluding that the Scheme is in the best interests of Independent iCar Shareholders, absent a Superior Proposal, among other things, the iCar IBC and the Independent Expert are making judgements based on future trading conditions and events which cannot be predicted with certainty and which may prove to be inaccurate (either positively or negatively).

In forming its unanimous recommendation, the iCar IBC also had regard to the Carsome/Catcha Sale Agreement under which Carsome acquired an approximate 19.89% interest in iCar from Catcha in exchange for shares in Carsome, and the Joint Bid Agreement under which Carsome would, subject to the Scheme becoming Effective, acquire the remaining iCar Shares controlled by Catcha immediately after the implementation of the Scheme (or such other time agreed between Carsome and Catcha) in exchange for shares in Carsome. For further details, see section 6.5.

The Independent Expert has determined that the Carsome shares issued to Catcha imply a value per iCar Share of \$0.61 based on the issue price of the Carsome shares issued.

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<sup>14</sup> This comprises \$5 million of debt drawn down under the Catcha Loan Agreement and US\$1.5 million (approximately \$2.11 million based on an AUD:USD exchange rate of AUD1.00 = USD0.71 as at the Last Practicable Date) of debt drawn down under the Carsome Loan Agreement. The Catcha Loan Agreement and the Carsome Loan Agreement are summarised at sections 9.5 and 9.6 respectively.

# 1. Key considerations relevant to your vote (continued)

While this value is above the Scheme Consideration of \$0.53 per iCar Share, the iCar IBC notes the following considerations outlined by the Independent Expert:

- in selling its iCar Shares under the Carsome/Catcha Sale Agreement and agreeing to sell its iCar Shares under the Joint Bid Agreement, Catcha Group has forgone its strategic shareholding in iCar and is now exposed to transaction risk in the sense that, if the Scheme does not become Effective, it will already have sold its 19.89% interest in iCar to Carsome but will be left with only a 9.54% shareholding in iCar which it will not transfer to Carsome under the Joint Bid Agreement in the absence of the Scheme;
- Catcha Group's interest in Carsome will be subject to ongoing economic, general business and strategy execution risk (including in connection with the ongoing impact of COVID-19 on businesses like iCar and Carsome);
- Carsome is a private unlisted entity and the Carsome shares issued to Catcha are substantially illiquid meaning that it is inherently uncertain as to how, when and at what price the Catcha Group will be able to monetise the value of those shares (notwithstanding that, as set out in section 6.4, Carsome may in the future consider numerous strategic options including a possible listing of the shares of Carsome on an international stock exchange); and
- in contrast, the Scheme Consideration is \$0.53 in cash, providing you with certainty of value.

The IBC also notes that:

- The Carsome/Catcha Sale Agreement and Joint Bid Agreement were executed prior to iCar receiving the non-binding indicative proposal from Carsome, and formed a fundamental element of the proposal. The iCar IBC had no influence over these transactions and there is no certainty whether a proposal from Carsome to acquire the remaining shares in iCar would have emerged without these transactions occurring;
- the Scheme Consideration of \$0.53 per iCar Share represents an attractive 87% and 78% premium to the 1 month and 3 month VWAPs respectively up until 9 July 2021, being the last trading day prior to iCar announcing that it had received a non-binding indicative proposal from Carsome. If the Scheme is not implemented, in the absence of a Superior Proposal, the price at which iCar Shares trade is likely to fall, including to a price that could possibly be significantly below the Scheme Consideration of \$0.53 per iCar Share;
- the Scheme Consideration is above the Independent Expert's assessed fully diluted value range for iCar Shares; and
- pursuant to the Joint Bid Relief Instrument issued by ASIC, Carsome and Catcha are required to match or accept a higher rival bid (being a bid or scheme offering more than 105% of the value of the Scheme Consideration or any relevant matching offer) and to not vote against a higher rival scheme in the circumstances set out in the Joint Bid Relief Instrument. The iCar IBC therefore believes the sale of shares to Carsome by Catcha is unlikely to have acted as a material deterrent to any other party considering a proposal to acquire iCar. Since receipt of the proposal from Carsome and up to the date of this Scheme Booklet, no Superior Proposal has emerged and the iCar IBC is not aware, as at the Last Practicable Date, of any Superior Proposal that is likely to emerge.

## **(b) You may wish to continue your investment in iCar and continue to share in any potential upside or downside associated with that investment**

If the Scheme is implemented, you will no longer be an iCar Shareholder and will forgo any benefits that may result from being an iCar Shareholder. This will mean that you will

not participate in the future performance of iCar (either positive or negative), retain any exposure to iCar's business or assets, or have the potential to share in the value that could be generated by iCar in the future. However, there is no guarantee as to iCar's future performance, as in the case with all investments, and if the Scheme is not implemented, iCar Shareholders will remain exposed to the risks and uncertainties associated with continuing to hold iCar Shares (including the risks set out in section 7).

**(c) The tax consequences of the Scheme may not be suitable for you**

Implementation of the Scheme may trigger taxation consequences for you, such as the realisation of a capital gain or capital loss. A general guide to the taxation implications of the Scheme is set out in section 8. This guide is expressed in general terms only and you should seek professional taxation advice regarding the tax consequences applicable to your own circumstances.

**(d) You may want to maintain your investment profile**

You may wish to maintain your investment in iCar in order to have an investment in a publicly listed company with the specific characteristics of iCar in terms of industry, operational profile, size and capital structure. Independent iCar Shareholders who wish to maintain their investment profile may find it difficult to find an investment with a similar profile to that of iCar and they may incur transaction costs in undertaking any new investment.

**(e) You may consider that there is potential for a Superior Proposal to be made in the foreseeable future**

It is possible that if iCar was to continue as an independent listed entity, a more attractive proposal for Independent iCar Shareholders could materialise in the future. However, since the announcement of the proposal from Carsome on 13 July 2021 and up to the Last Practicable Date, no Superior Proposal has emerged and the iCar IBC is not aware of any Superior Proposal or any alternative proposal that is likely to emerge.



## 2. Frequently asked questions

This section 2 answers some frequently asked questions relating to the Scheme. It is not intended to address all relevant issues for Independent iCar Shareholders. This section 2 should be read together with all other parts of this Scheme Booklet.

Question	Answer	More information
<b>Overview of the Scheme</b>		
<b>Why have I received this Scheme Booklet?</b>	This Scheme Booklet has been sent to you because you are an Independent iCar Shareholder and you are being asked to vote on the Scheme. This Scheme Booklet is intended to help you to consider and decide on how to vote on the Scheme at the Scheme Meeting.	Section 4
<b>What is the Scheme?</b>	<p>The Scheme is a scheme of arrangement between iCar and the Scheme Shareholders, being those iCar Shareholders (other than Excluded Shareholders) who hold iCar Shares as at the Scheme Record Date.</p> <p>A “scheme of arrangement” is a statutory procedure in the Corporations Act that is commonly used in transactions in Australia that may result in a change of ownership or control of a company. In addition to requiring Court approval, schemes of arrangement require a shareholder vote in favour of a resolution to implement the scheme of arrangement by the Requisite Majorities.</p> <p>The Scheme Shareholders do not include the Excluded Shareholders, being any iCar Shareholder who is a member of the Carsome Group as at the Scheme Record Date, Catcha and Catcha Sub. The iCar Shares controlled by Catcha are proposed to be separately acquired by Carsome under the Joint Bid Agreement.</p> <p>If the Scheme becomes Effective, Carsome will acquire all of the Scheme Shares for the Scheme Consideration. iCar will be delisted from the ASX and become a wholly owned Subsidiary of Carsome.</p>	Section 4 and Annexure 2

Question	Answer	More information
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#### Questions about Carsome and Carsome Group

<p><b>Who is Carsome?</b></p>	<p>Carsome is a proprietary company incorporated in Singapore on 20 July 2020.</p> <p>Carsome is Southeast Asia's largest integrated car e-commerce platform. Carsome provides end-to-end solutions to consumers and used car dealers, from car inspection to ownership transfer to financing. With a presence across Malaysia, Indonesia, Thailand and Singapore, Carsome's aim is to digitize the used car industry in the Southeast Asian region by reshaping and elevating the car buying and selling experience.</p>	<p>Section 6.1</p>
<p><b>Does Carsome currently hold any iCar Shares?</b></p>	<p>As at the date of this Scheme Booklet, Carsome is currently the registered holder of 89,456,448 iCar Shares acquired by Carsome from Catcha and Catcha Sub under the Carsome/Catcha Sale Agreement (representing approximately 19.89% of the iCar Shares on issue as at the date of this Scheme Booklet). These iCar Shares were acquired by Carsome on 31 August 2021, prior to the entry by Carsome and iCar into the Scheme Implementation Deed.</p> <p>Carsome also has a Relevant Interest in 42,905,042 iCar Shares held by Catcha Sub arising under the Joint Bid Agreement (representing approximately 9.54% of the iCar Shares on issue as at the date of this Scheme Booklet). These iCar Shares are the subject of the Carsome/Catcha Transaction which is described in further detail in section 6.5. Neither Carsome nor any Related Body Corporate of Carsome has any ability to control the exercise of any votes in respect of those iCar Shares unless and until the Scheme becomes Effective and the purchase of those iCar Shares completes.</p>	<p>Section 6.5</p>

#### Voting recommendations and considerations

<p><b>What do the iCar Directors recommend?</b></p>	<p>The iCar IBC unanimously recommends that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Independent iCar Shareholders.</p>	<p>Letter from the Chairman of the iCar IBC and section 1</p>
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## 2. Frequently asked questions (continued)

Question	Answer	More information
	<p>The reasons for this recommendation and other relevant considerations are set out in section 1.</p> <p>In light of the arrangements summarised in sections 6.5 and 9.8 of this Scheme Booklet, Patrick Grove and Lucas Elliott, who are together the sole shareholders of Catcha, have recused themselves from discussions on the Scheme and abstain from giving a recommendation in respect of how Independent iCar Shareholders should vote on the Scheme. Patrick Grove is also a Catcha nominee director on the Carsome Board.</p> <p>Furthermore, Syed Khalil Ibrahim has also recused himself from discussions on the Scheme and abstains from giving a recommendation in respect of how Independent iCar Shareholders should vote on the Scheme, given his investment and interest in a fund which has a small investment in Carsome.</p> <p>Details of the interests of the iCar Directors (including the iCar IBC Members) in iCar are set out in section 9.1.<sup>15</sup> Furthermore, details on the treatment of any outstanding remuneration payable to iCar Directors (including the iCar IBC Members) in respect of the period prior to implementation of the Scheme are set out in section 9.3.<sup>16</sup> Independent iCar Shareholders should have regard to these details in the context of the recommendation of the iCar IBC,</p>	

<sup>15</sup> Georg Chmiel and Hamish Stone have each entered into a tripartite deed with iCar and Carsome, under which, subject to the Scheme becoming Effective (and assuming there is no increase to the Scheme Consideration, which would result in a corresponding increase in the cash amounts payable):

- Georg Chmiel is entitled to a cash amount of \$130,000, payable by Carsome on the Implementation Date, in exchange for deciding not to exercise his 1,000,000 iCar Options; and
- Hamish Stone is entitled to a cash amount of \$1,324,050, payable by Carsome on the Implementation Date (i) in exchange for agreeing to the cancellation and extinguishment of his entitlements to be issued (upon vesting and subject to shareholder approval) 1,207,483 iCar Shares pursuant to the LTVC Scheme and LTI Plan for 2019, and (ii) in lieu of the grant of his entitlements to be issued (upon vesting and subject to shareholder approval) 1,290,724 iCar Shares pursuant to the LTI Plan for 2020 (which have been approved by the iCar Board but not yet granted).

Hamish Stone is also eligible to participate in the LTI Plan for 2021 (noting that the iCar Board will make a determination on the grant of any Future 2021 LTI Performance Rights in the usual course in early 2022).

Please refer to sections 9.1 and 9.2 for further details.

Each of Georg Chmiel and Hamish Stone considers that, despite these arrangements, it is appropriate for them to make a recommendation on the Scheme. In addition, the iCar IBC (excluding Georg Chmiel and Hamish Stone) also considers that it is appropriate for each of Georg Chmiel and Hamish Stone to make a recommendation on the Scheme given the importance of the Scheme, their respective roles in the operation and management of iCar and their deep industry knowledge.

<sup>16</sup> The iCar IBC considers that, notwithstanding the treatment of any outstanding remuneration payable to iCar Directors in respect of the period prior to implementation of the Scheme, it is appropriate for the iCar IBC to provide a recommendation on the Scheme.



Question	Answer	More information
	which appears throughout this Scheme Booklet, when considering how to vote on the Scheme.	
<b>What are the intentions of the iCar IBC Members?</b>	Each iCar IBC Member intends to vote, or cause to be voted, all the iCar Shares held or controlled by them in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Independent iCar Shareholders.	Letter from the Chairman of the iCar Board and section 1.1(a)
<b>What is the conclusion of the Independent Expert?</b>	<p>The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Independent iCar Shareholders, in the absence of a Superior Proposal.</p> <p>The Independent Expert has assessed the fully diluted value of iCar Shares to be in the range of \$0.45 and \$0.50 on a 100% controlling interest basis. The Scheme Consideration of \$0.53 per iCar Share is above this range.</p> <p>A complete copy of the Independent Expert's Report is included as Annexure 1 to this Scheme Booklet.</p>	Annexure 1.
<b>What choices do I have as an Independent iCar Shareholder?</b>	<p>As an Independent iCar Shareholder who is eligible to vote at the Scheme Meeting, you have the following choices in relation to your iCar Shares:</p> <ul style="list-style-type: none"> <li>• vote in favour of the Scheme at the Scheme Meeting;</li> <li>• vote against the Scheme at the Scheme Meeting;</li> <li>• sell your iCar Shares on the ASX; or</li> <li>• do nothing.</li> </ul>	Section 4.2
<b>Overview of the Scheme Consideration</b>		
<b>What is the Scheme Consideration?</b>	If the Scheme is implemented, you will receive the Scheme Consideration of \$0.53 in cash per iCar Share.	Section 4.1

## 2. Frequently asked questions (continued)

Question	Answer	More information
<p><b>When and how will I receive my Scheme Consideration?</b></p>	<p>If the Scheme becomes Effective, Scheme Shareholders will be sent the Scheme Consideration on the Implementation Date (currently expected to be Thursday, 10 February 2022).</p> <p>Scheme Shareholders who have validly registered their bank account details with the iCar Share Registry before the Scheme Record Date may have their Scheme Consideration sent directly to their bank account. Otherwise, Scheme Shareholders will have their Scheme Consideration sent by cheque in Australian currency to their address shown on the iCar Share Register.</p>	<p>Section 4.1</p>
<p><b>Will I have to pay brokerage?</b></p>	<p>You will not have to pay brokerage on the transfer of your iCar Shares to Carsome under the Scheme.</p>	<p>Section 1.1(e)</p>
<p><b>What are the taxation implications of the Scheme?</b></p>	<p>The taxation implications of the Scheme will depend on your particular circumstances.</p> <p>Section 8 provides a general description of the Australian taxation consequences for Scheme Shareholders.</p> <p>You should seek independent professional taxation advice with respect to your particular circumstances.</p>	<p>Section 8</p>
<p><b>Conditions to the Scheme</b></p>		
<p><b>Are there any conditions to the Scheme?</b></p>	<p>Yes. The Scheme is subject to various conditions precedent that must be satisfied or waived (if capable of waiver) in order for the Scheme to be implemented. These conditions are summarised in section 4.3 and set out in full in clause 3.1 of the Scheme Implementation Deed.</p> <p>The conditions include customary conditions in schemes of arrangement (such as shareholder approval, Court approval and the Independent Expert continuing to conclude that the Scheme is in the best interest of Independent iCar Shareholders).</p> <p>The Scheme is not conditional on regulatory approvals, financing or due diligence.</p>	<p>Section 4.3</p>

Question	Answer	More information
	As at the date of this Scheme Booklet, none of the iCar Directors are aware of any circumstances which would cause any condition precedent not to be satisfied or waived (if capable of waiver).	
<b>What is required for the Scheme to become Effective?</b>	<p>The Scheme will become Effective if:</p> <ul style="list-style-type: none"> <li>the Scheme is approved by the Requisite Majorities of Independent iCar Shareholders at the Scheme Meeting to be held on Monday, 31 January 2022;</li> <li>the Court approves the Scheme at the Second Court Hearing; and</li> <li>all other conditions precedent to the Scheme are satisfied or waived (if capable of waiver).</li> </ul>	N/A

#### Scheme Meeting and approval of the Scheme

<b>When and where will the Scheme Meeting be held?</b>	<p>The Scheme Meeting will be held virtually at 2:00pm (Sydney time) on Monday, 31 January 2022. Having regard to the uncertainty and potential health risks associated with large gatherings due to COVID-19, you will not be able to attend the Scheme Meeting in person.</p> <p>Independent iCar Shareholders and their authorised proxies, attorneys and corporate representatives may attend and participate in the Scheme Meeting through an online platform that can be accessed at <a href="https://web.lumiagm.com/399-348-405">https://web.lumiagm.com/399-348-405</a>.</p> <p>Independent iCar Shareholders who participate in the Scheme Meeting via the online platform will be able to watch the Scheme Meeting, cast an online vote and ask questions online. It is recommended that Independent iCar Shareholders log in to the online platform at least 15 minutes prior to the scheduled start time for the Scheme Meeting.</p> <p>Please monitor iCar's website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the meeting.</p> <p>Please see the Notice of Scheme Meeting in Annexure 4 and the Scheme Meeting Online</p>	Annexure 4
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## 2. Frequently asked questions (continued)

Question	Answer	More information
	<p>Guide (which has been released to the ASX and will be available at <a href="https://www.icarasia.com/investor-corp">https://www.icarasia.com/investor-corp</a>) for further details relating to the conduct of the Scheme Meeting.</p> <p>The Scheme Meeting may be postponed or adjourned. Any such postponement or adjournment will be announced by iCar to the ASX.</p>	
<p><b>What will Independent iCar Shareholders be asked to vote on at the Scheme Meeting?</b></p>	<p>At the Scheme Meeting, Independent iCar Shareholders will be asked to vote on whether to approve the Scheme.</p>	<p>Annexure 4</p>
<p><b>What is the iCar Shareholder approval threshold for the Scheme?</b></p>	<p>In order to become Effective, the Scheme must be approved by the Requisite Majorities, being:</p> <ul style="list-style-type: none"> <li>• unless the Court orders otherwise, a majority in number (more than 50%) of Independent iCar Shareholders present and voting at the Scheme Meeting (either online or by proxy, attorney or, in the case of corporate Independent iCar Shareholders, body corporate representative); and</li> <li>• at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Independent iCar Shareholders present and voting (either online or by proxy, attorney or, in the case of corporate Independent iCar Shareholders, body corporate representative).</li> </ul> <p>Even if the Scheme is approved by the Requisite Majorities of Independent iCar Shareholders at the Scheme Meeting, the Scheme is still subject to the approval of the Court.</p>	<p>Section 4.5</p>
<p><b>Am I entitled to vote at the Scheme Meeting?</b></p>	<p>If you are registered as an iCar Shareholder on the iCar Share Register as at 7:00pm (Sydney time) on Saturday, 29 January 2022, and you are not an Excluded Shareholder, you will be entitled to attend and vote at the Scheme Meeting.</p>	<p>Annexure 4</p>

Question	Answer	More information
	<p>Excluded Shareholders (being any iCar Shareholder who is a member of the Carsome Group as at the Scheme Record Date, Catcha and Catcha Sub) are excluded from the Scheme and are not permitted to vote on the Scheme.</p>	
<p><b>How can I vote if I can't, or do not wish to, attend the Scheme Meeting?</b></p>	<p>If you would like to vote but cannot, or do not wish to, attend the Scheme Meeting via the online platform, or will not have access to a device or the internet, you can vote by appointing a proxy (including by lodging your proxy form online at <a href="https://www.votingonline.com.au/icqsm2022">https://www.votingonline.com.au/icqsm2022</a>) or attorney to attend and vote on your behalf. You may also vote by corporate representative if that option is applicable to you.</p>	<p>Annexure 4</p>
<p><b>When will the results of the Scheme Meeting be known?</b></p>	<p>The results of the Scheme Meeting are expected to be available shortly after the conclusion of the Scheme Meeting and will be announced to the ASX (<a href="http://www2.asx.com.au">www2.asx.com.au</a>) once available.</p>	<p>N/A</p>
<p><b>Is voting compulsory?</b></p>	<p>Voting is not compulsory. However, the Scheme will only be successful if it is approved by the Independent iCar Shareholders by the Requisite Majorities, so voting is important and the iCar IBC encourages you to vote. The iCar IBC unanimously recommends that Independent iCar Shareholders vote in favour of the Scheme in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Independent iCar Shareholders.</p>	<p>Section 4.5</p>
<p><b>What happens to my iCar Shares if I do not vote, or if I vote against the Scheme, and the Scheme becomes Effective and is implemented?</b></p>	<p>If you do not vote, or vote against the Scheme, and the Scheme becomes Effective and is implemented, any Scheme Shares held by you on the Scheme Record Date (currently expected to be 7:00pm (Sydney time) on Monday, 7 February 2022) will be transferred to Carsome and you will receive the Scheme Consideration, despite not having voted or having voted against the Scheme.</p>	<p>Section 4.5(a)</p>

## 2. Frequently asked questions (continued)

Question	Answer	More information
<b>What happens if the Scheme does not become Effective?</b>	<p>If the Scheme is not approved by the Requisite Majorities of iCar Shareholders or the Court:</p> <ul style="list-style-type: none"> <li>Independent iCar Shareholders will continue to hold iCar Shares;</li> <li>Independent iCar Shareholders will not receive the Scheme Consideration;</li> <li>a Reimbursement Fee of \$1,700,000 (including GST) may be payable by iCar to Carsome under certain circumstances. Those circumstances do not include the failure by Independent iCar Shareholders to approve the Scheme at the Scheme Meeting;</li> <li>iCar will continue as an ASX-listed entity; and</li> <li>the price of an iCar Share on the ASX will continue to be subject to market volatility and is likely to fall in the absence of a Superior Proposal.</li> </ul>	Sections 4.4 and 9.7(h)

### Questions about the Catcha / Carsome Agreement

<b>What is the Carsome/Catcha Transaction?</b>	<p>The iCar Shares held by Catcha Sub (representing approximately 9.54% of the iCar Shares on issue as at the date of this Scheme Booklet) will not be acquired by Carsome pursuant to the Scheme. Rather, pursuant to the Carsome/Catcha Transaction, it is proposed that these iCar Shares will be separately acquired by Carsome under the Joint Bid Agreement.</p>	Section 6.5
<b>What is the Joint Bid Agreement?</b>	<p>The Joint Bid Agreement is the agreement under which:</p> <p>Carsome and Catcha agreed certain matters relating to the conduct of the Scheme and funding of the Scheme Consideration; and</p> <p>Carsome has agreed to acquire 42,905,042 iCar Shares held by Catcha Sub (representing approximately 9.54% of the iCar Shares on issue as at the date of this Scheme Booklet) subject to the Scheme becoming Effective.</p>	Sections 6.5 and 9.8



Question	Answer	More information
<p><b>What is the Carsome/Catcha Sale Agreement?</b></p>	<p>The Carsome/Catcha Sale Agreement is the agreement under which Carsome acquired 89,456,448 iCar Shares from Catcha and Catcha Sub on 31 August 2021, being approximately 19.89% of the iCar Shares on issue as at the date of this Scheme Booklet.</p>	<p>Section 6.5</p>
<p><b>Why does the Scheme not apply to the iCar Shares held by the Catcha Group?</b></p>	<p>Carsome and Catcha have entered into the Joint Bid Agreement for the acquisition of the Catcha iCar Shares held by Catcha Sub. The Catcha iCar Shares will therefore not be acquired by Carsome pursuant to the Scheme.</p>	<p>Section 6.5</p>
<p><b>What consideration will Catcha receive for the sale of its iCar Shares?</b></p>	<p>The 89,456,448 iCar Shares acquired by Carsome from Catcha and Catcha Sub under the Carsome/Catcha Sale Agreement were acquired in consideration for the issue of 1,703,174 preference D2 redeemable convertible preference shares in the capital of Carsome.</p> <p>Carsome and Catcha have agreed that the Catcha iCar Shares proposed to be acquired from Catcha Sub by Carsome under the Joint Bid Agreement will be acquired in consideration for the issue of 794,268 preference D2 redeemable convertible preference shares in the capital of Carsome.</p> <p>The Independent Expert has determined that the consideration offered to Catcha under the Carsome/Catcha Sale Agreement and the Joint Bid Agreement implies a value per iCar Share of \$0.61.</p> <p>However, the Independent Expert has also noted that:</p> <p>in selling its iCar Shares under the Carsome/Catcha Sale Agreement and agreeing to sell its iCar Shares under the Joint Bid Agreement, Catcha Group has forgone its strategic shareholding in iCar and is now exposed to transaction risk in the sense that, if the Scheme does not become Effective, it will already have sold its 19.89% interest in iCar to Carsome but will be left with only a 9.54% shareholding in iCar;</p> <p>Catcha Group's interest in Carsome will be subject to ongoing economic, general business and strategy execution risk (including in connection with the ongoing impact of COVID-19 on businesses like iCar and Carsome); and</p>	<p>Section 6.5(a)</p>

## 2. Frequently asked questions (continued)

Question	Answer	More information
	<p>Carsome is a private unlisted entity and the Carsome Consideration Shares are substantially illiquid meaning that it is inherently uncertain as to how, when and at what price the Catcha Group will be able to monetise the value of those shares (notwithstanding that, as set out in section 6.4, Carsome may in the future consider numerous strategic options including a possible listing of the shares of Carsome on an international stock exchange).</p> <p>The Scheme Consideration, by contrast, will be paid in cash and provides Independent iCar Shareholders with an opportunity to realise certain cash value for their iCar Shares and the ability to avoid the ongoing risks and uncertainties associated with iCar's business and equity markets as further detailed in sections 1.1 and 7 of this Scheme Booklet.</p>	
<p><b>Will the Carsome/iCar Transaction still proceed if the Scheme does not proceed?</b></p>	<p>No.</p> <p>The acquisition of the Catcha iCar Shares under the Joint Bid Agreement is conditional upon the Scheme becoming Effective. Carsome will therefore not acquire any iCar Shares currently held by the Catcha Group under the Joint Bid Agreement unless the Scheme becomes Effective.</p>	<p>Sections 6.5 and 9.8</p>
<p><b>Have Catcha Group and Carsome Group entered into any other arrangements in connection with the Scheme, the iCar Group or its business?</b></p>	<p>Other than (i) the Carsome/Catcha Sale Agreement (ii) the Joint Bid Agreement (and a short form agreement under which Carsome and Catcha agree the consideration to be provided under the Joint Bid Agreement) and (iii) the Catcha Loan Agreement and the Carsome Loan Agreement, the Carsome Group and Catcha Group are not party to any other arrangements in connection with the Scheme, the iCar Group or its business.</p> <p>The Carsome Group and Catcha Group are party to other commercial arrangements unrelated to the terms of the Scheme, including in relation to the interests of the Catcha Group in Carsome.</p>	<p>Sections 6.5, 9.5, 9.6 and 9.8</p>

Question	Answer	More information
<b>Other questions</b>		
<b>What happens if a Competing Proposal is received?</b>	<p>If a Competing Proposal is received, the iCar Directors will carefully consider it.</p> <p>iCar must notify Carsome of that Competing Proposal in accordance with the Scheme Implementation Deed.</p> <p>You should note that iCar has agreed to certain exclusivity provisions in favour of Carsome under the Scheme Implementation Deed that restrict iCar's ability to participate in negotiations and discussions in relation to a Competing Proposal (subject to certain fiduciary exceptions).</p>	Section 9.7(g)
<b>Will I have to give any warranties in connection with the Scheme?</b>	<p>Yes. Each Scheme Shareholder is taken to have warranted to iCar and Carsome on the Implementation Date that:</p> <ul style="list-style-type: none"> <li>• all their iCar Shares (including any rights and entitlements attaching to those shares) which are transferred under the Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the Personal Property Securities Act 2009 (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their iCar Shares to Carsome together with any rights and entitlements attaching to those shares. iCar undertakes that it will provide such warranty to Carsome as agent and attorney of each Scheme Shareholder; and</li> <li>• they have no existing right to be issued any iCar Shares, iCar Equity Incentives or any other iCar equity securities. iCar undertakes that it will provide such warranty to Carsome as agent and attorney of each Scheme Shareholder.</li> </ul>	Section 4.6
<b>What are the risks associated with the iCar business?</b>	<p>In considering the Scheme, Independent iCar Shareholders should be aware that there are a number of risk factors, both general and specifically relating to iCar, which may affect</p>	Section 7



## 2. Frequently asked questions (continued)

Question	Answer	More information
	<p>the future operating and financial performance of iCar and the price and/or value of iCar Shares.</p> <p>If the Scheme proceeds, Independent iCar Shareholders will receive the Scheme Consideration, will cease to hold iCar Shares and will also no longer be exposed to such risks.</p> <p>If the Scheme does not proceed, Independent iCar Shareholders will continue to hold iCar Shares and continue to be exposed to risks associated with investment in iCar.</p> <p>In deciding whether to vote in favour of the Scheme, Independent iCar Shareholders should read this Scheme Booklet carefully and consider the risk factors set out in section 7, as well as the other information contained in this Scheme Booklet before making any decision in relation to the Scheme.</p>	
<p><b>Can I sell my iCar Shares now?</b></p>	<p>Yes. You can sell your iCar Shares on market at any time before the close of trading on the ASX on the Effective Date at the then prevailing market price (which may vary from the Scheme Consideration).</p> <p>iCar intends to apply to the ASX for iCar Shares to be suspended from trading on the ASX from close of trading on the Effective Date. You will not be able to sell your iCar Shares on market after this date.</p> <p>If you sell your iCar Shares on market, you may pay brokerage on the sale, you will not receive the Scheme Consideration and there may be different tax consequences compared to those that would arise if you retain those shares until the Scheme is implemented.</p>	<p>Section 4.2</p>
<p><b>If the Scheme is implemented, will iCar Shares cease trading on the ASX?</b></p>	<p>iCar intends to apply to the ASX for iCar Shares to be suspended from trading on the ASX from close of trading on the Effective Date.</p> <p>Following the Implementation Date, iCar will apply for the termination of the official quotation of iCar Shares on the ASX and for iCar to be removed from the official list of the ASX.</p>	<p>Sections 4.5(c) and 4.7</p>

Question	Answer	More information
<p><b>What if I have further questions about the Scheme?</b></p>	<p>For further information, please contact the iCar Shareholder information line on 1300 237 569 (within Australia) or +61 2 9066 4054 (outside Australia), between 8:30am and 5:00pm (Sydney time), Monday to Saturday (excluding Australian national public holidays).</p> <p>If you are in doubt about anything in this Scheme Booklet, please contact your financial, legal, taxation or other professional adviser immediately.</p>	<p>N/A</p>

## 3. What should you do?

### 3.1 Step 1: Read this Scheme Booklet

This is an important document. You should carefully read this Scheme Booklet in its entirety before deciding whether to vote in favour of the Scheme.

If you have any questions, please contact the iCar Shareholder information line on 1300 237 569 (within Australia) or +61 2 9066 4054 (outside Australia), between 8:30am and 5:00pm (Sydney time), Monday to Saturday (excluding Australian national public holidays).

If you are in any doubt as to what you should do, please consult your legal, financial, tax or other professional adviser without delay.

A copy of this Scheme Booklet may be obtained by anyone entitled to attend the Scheme Meeting from the 'Investors' section of the iCar website (<https://www.icarasia.com/investor-corp>) or the ASX website ([www2.asx.com.au](http://www2.asx.com.au)) or by calling the iCar Shareholder information line (using the details above).

### 3.2 Step 2: Vote on the Scheme

#### (a) Your vote is important

For the Scheme to proceed, it is necessary that sufficient Independent iCar Shareholders vote in favour of the Scheme.

#### (b) Who is entitled to vote?

If you are registered as an iCar Shareholder on the iCar Share Register as at 7:00pm (Sydney time) on Saturday, 29 January 2022, and you are not an Excluded Shareholder, you will be entitled to attend and vote at the Scheme Meeting.

Excluded Shareholders (being any iCar Shareholder who is a member of the Carsome Group as at the Scheme Record Date, Catcha and Catcha Sub) are excluded from the Scheme and are not permitted to vote on the Scheme.

#### (c) How to vote?

You may vote:

- **online**, by participating in the Scheme Meeting and voting online via the online platform at <https://web.lumiagm.com/399-348-405>;
- **by proxy**, by lodging a proxy form online at <https://www.votingonline.com.au/icqsm2022> or by completing, signing and lodging a proxy form for the Scheme Meeting in accordance with the instructions set out on the form. To be valid, your proxy form must be received by the iCar Share Registry by 2:00pm (Sydney time) on Saturday, 29 January 2022;
- **by attorney**, by appointing an attorney to attend and vote at the Scheme Meeting on your behalf and providing a duly executed power of attorney to the iCar Share Registry by 2:00pm (Sydney time) on Saturday, 29 January 2022; or
- **by corporate representative**, in the case of a body corporate which is an Independent iCar Shareholder, by appointing a corporate representative to attend and vote at the Scheme Meeting on behalf of that Independent iCar Shareholder and providing a duly executed certificate of appointment (in accordance with sections 250D and 253B of the Corporations Act) prior to the Scheme Meeting.



Further details on how to vote are contained in the Notice of Scheme Meeting attached as Annexure 4.

If you are in favour of the Scheme, you should vote in favour of the Scheme.

The Scheme will not be implemented unless the Scheme is approved by the Requisite Majorities of Independent iCar Shareholders at the Scheme Meeting.

## 4. Overview of the Scheme

### 4.1 Provision of Scheme Consideration

If the Scheme becomes Effective, Scheme Shareholders will be entitled to receive the Scheme Consideration of \$0.53 cash per iCar Share held by them on the Scheme Record Date.

The Scheme Consideration will be sent to Scheme Shareholders on the Implementation Date (currently expected to be Thursday, 10 February 2022). Scheme Shareholders who have validly registered their bank account details with the iCar Share Registry before the Scheme Record Date may have their Scheme Consideration sent directly to their bank account. Otherwise, Scheme Shareholders will have their Scheme Consideration sent by cheque in Australian currency to their address shown on the iCar Share Register.

It is important to note that you will only receive the Scheme Consideration if you are a Scheme Shareholder. You will be a Scheme Shareholder if you are not an Excluded Shareholder and you hold iCar Shares at the Scheme Record Date (currently expected to be 7:00pm (Sydney time) on Monday, 7 February 2022) or such other time and date as iCar and Carsome agree in writing.

### 4.2 Your choices as an Independent iCar Shareholder

As an Independent iCar Shareholder who is eligible to vote at the Scheme Meeting, you have the following choices in relation to your iCar Shares:

<b>Vote in favour of the Scheme</b>	<p><b>This is the course of action unanimously recommended by the iCar IBC, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of Independent iCar Shareholders.</b></p> <p>To follow the iCar IBC's unanimous recommendation, you should vote in favour of the Scheme at the Scheme Meeting on Monday, 31 January 2022. For a summary of how to vote on the Scheme, please refer to section 3 and the Notice of Scheme Meeting contained in Annexure 4.</p>
<b>Vote against the Scheme</b>	<p>If, despite the iCar IBC's unanimous recommendation and the Independent Expert's conclusion that the Scheme is fair and reasonable and therefore in the best interest of Independent iCar Shareholders, you do not support the Scheme, you may vote against the Scheme at the Scheme Meeting on Monday, 31 January 2022.</p> <p>However, if all the Conditions Precedent to the Scheme are satisfied or waived (if capable of waiver) and the Scheme becomes Effective and is implemented, the Scheme will bind all Scheme Shareholders, including those who vote against the Scheme Resolution at the Scheme Meeting and those who do not vote at all.</p>
<b>Sell your iCar Shares on the ASX</b>	<p>The Scheme does not preclude you from selling some or all of your iCar Shares on market at any time before the close of trading on the ASX on the Effective Date (currently expected to be Wednesday, 2 February 2022).</p>

	<p>iCar intends to apply to the ASX for iCar Shares to be suspended from trading on the ASX from close of trading on the Effective Date. You will not be able to sell your iCar Shares on market after this date.</p> <p>If you are considering selling some or all of your iCar Shares:</p> <ul style="list-style-type: none"> <li>• you should have regard to the prevailing trading prices of iCar Shares and compare those to the Scheme Consideration. You may ascertain the current trading prices of iCar Shares through the ASX website (<a href="http://www2.asx.com.au">www2.asx.com.au</a>); and</li> <li>• you should contact your stockbroker for information on how to effect that sale, and you should also contact your financial, taxation, legal or other professional adviser.</li> </ul> <p>Independent iCar Shareholders who sell some or all of their iCar Shares on market:</p> <ul style="list-style-type: none"> <li>• may receive payment (which may vary from the Scheme Consideration) for the sale of their iCar Shares sooner than they would receive the Scheme Consideration under the Scheme;</li> <li>• may incur a brokerage charge;</li> <li>• will not be able to participate in the Scheme or, if one emerges, a Superior Proposal, in respect of those iCar Shares they have sold; and</li> <li>• may be liable for capital gains tax (CGT) on the disposal of their iCar Shares (as they also may be under the Scheme – see section 8 for further information).</li> </ul>
<p><b>Do nothing</b></p>	<p>Independent iCar Shareholders who elect not to vote at the Scheme Meeting on Monday, 31 January 2022 or do not sell their iCar Shares on market will:</p> <ul style="list-style-type: none"> <li>• if the Scheme is implemented – have any iCar Shares held by them as at the Scheme Record Date transferred to Carsome by operation of the Scheme and receive the Scheme Consideration; or</li> <li>• if the Scheme is not implemented – retain their iCar Shares.</li> </ul>

### 4.3 Conditions to the Scheme

Implementation of the Scheme is subject to the following outstanding conditions precedent:

- (a) **Shareholder approval:** the Requisite Majorities of Independent iCar Shareholders approve the Scheme at the Scheme Meeting;
- (b) **Independent Expert:** the Independent Expert:
  - (1) issues an Independent Expert's Report which concludes that the Scheme is in the best interests of Independent iCar Shareholders before the time when the Scheme Booklet is registered by ASIC; and
  - (2) does not change its conclusion or withdraw its Independent Expert's Report before 8:00am on the Second Court Date;

## 4. Overview of the Scheme (continued)

- (c) **Court approval:** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;
- (d) **Restraints:** as at 8:00am on the Second Court Date;
- (1) there is not in effect any temporary, preliminary or final order, injunction, decision or decree issued by any court of competent jurisdiction or other Government Agency, or other material legal restraint or prohibition;
  - (2) no action or investigation is announced, commenced or threatened by any Government Agency; and
  - (3) no application is made to any Government Agency,
- in consequence of, or in connection with, the Scheme which restrains, prohibits or otherwise materially adversely affects (or could reasonably be expected to restrain, prohibit or otherwise materially adversely affect) the Scheme, completion of the Transaction or the rights of Carsome in respect of iCar or the iCar Shares to be acquired under the Scheme;
- (e) **No iCar Prescribed Occurrence:** no iCar Prescribed Occurrence occurs or becomes known to Carsome between (and including) the date of the Scheme Implementation Deed and 8:00am on the Second Court Date; and
- (f) **No iCar Material Adverse Change:** no iCar Material Adverse Change occurs or becomes known to Carsome between (and including) the Scheme Implementation Deed and 8:00am on the Second Court Date.

The Scheme will not proceed unless all of the conditions precedent to the Scheme are satisfied or waived (if capable of waiver) in accordance with the Scheme Implementation Deed.

As at the date of this Scheme Booklet, none of the iCar Directors are aware of any circumstances which would cause any condition precedent not to be satisfied or waived (if capable of waiver).

### 4.4 Implications if the Scheme does not become Effective

If the Scheme does not become Effective:

- unless Independent iCar Shareholders choose to sell their iCar Shares on the ASX, Independent iCar Shareholders will continue to hold iCar Shares and will be exposed to general risks as well as risks specific to iCar (including those set out in section 7);
- Independent iCar Shareholders will not receive the Scheme Consideration;
- a Reimbursement Fee of \$1,700,000 (including GST) may be payable by iCar to Carsome under certain circumstances. Those circumstances do not include the failure by Independent iCar Shareholders to approve the Scheme at the Scheme Meeting. Further information on the break fee is set out in section 9.7(h);
- iCar will continue as an ASX-listed entity with management continuing to implement the business plan and financial and operating strategies it had in place prior to 18 October 2021, being the date of the announcement of the Scheme to the ASX; and
- the price of an iCar Share on the ASX will continue to be subject to market volatility and is likely to fall in the absence of a Superior Proposal.



## 4.5 Key steps in the Scheme

### (a) Scheme Meeting and Scheme approval requirements

The Court has ordered iCar to convene the Scheme Meeting at which Independent iCar Shareholders will be asked to approve the Scheme.

The terms of the Scheme Resolution to be considered at the Scheme Meeting are contained in the Notice of Scheme Meeting in Annexure 4.

The Scheme will only become Effective and be implemented if:

- it is approved by the Requisite Majorities of Independent iCar Shareholders at the Scheme Meeting to be held on Monday, 31 January 2022;
- it is approved by the Court at the Second Court Hearing; and
- the other conditions precedent to the Scheme outlined in section 4.3 are satisfied or waived (if capable of waiver).

The Requisite Majorities of Independent iCar Shareholders to approve the Scheme are:

- unless the Court orders otherwise, a majority in number (more than 50%) of Independent iCar Shareholders present and voting at the Scheme Meeting (either online or by proxy, attorney or, in the case of corporate Independent iCar Shareholders, body corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Independent iCar Shareholders present and voting (either online or by proxy, attorney or, in the case of corporate Independent iCar Shareholders, body corporate representative).

The Court has the power to waive the first requirement.

The entitlement of iCar Shareholders to attend and vote at the Scheme Meeting is set out in the Notice of Scheme Meeting in Annexure 4.

Voting is not compulsory. However, the iCar IBC unanimously recommends that Independent iCar Shareholders vote in favour of the Scheme in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Independent iCar Shareholders. You are encouraged to attend and vote at the Scheme Meeting.

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of Independent iCar Shareholders and the Court. If this occurs, your iCar Shares will be transferred to Carsome and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme.

The results of the Scheme Meeting will be available as soon as possible after the conclusion of the Scheme Meeting and will be announced to the ASX ([www2.asx.com.au](http://www2.asx.com.au)) once available.

### (b) Court approval of the Scheme

In the event that:

- the Scheme is approved by the Requisite Majorities of Independent iCar Shareholders at the Scheme Meeting; and
- all other conditions precedent to the Scheme (except Court approval of the Scheme) have been satisfied or waived (if capable of waiver),

then iCar will apply to the Court for orders approving the Scheme.

## 4. Overview of the Scheme (continued)

Each Independent iCar Shareholder has the right to appear at the Second Court Hearing.

### (c) Effective Date

If the Court approves the Scheme, the Scheme will become Effective on the Effective Date, being the date an office copy of the Court order from the Second Court Hearing approving the Scheme is lodged with ASIC. iCar will, on the Scheme becoming Effective, give notice of that event to the ASX.

iCar intends to apply to the ASX for iCar Shares to be suspended from trading on the ASX from close of trading on the Effective Date.

### (d) Scheme Record Date and entitlement to Scheme Consideration

Those Independent iCar Shareholders who are recorded on the iCar Share Register on the Scheme Record Date (currently expected to be 7:00pm (Sydney time) on Monday, 7 February 2022) or such other time and date as the parties agree in writing) will be entitled to receive the Scheme Consideration in respect of the iCar Shares they hold at that time.

#### (1) Dealings on or prior to the Scheme Record Date

For the purposes of determining which Independent iCar Shareholders are eligible to participate in the Scheme, dealings in iCar Shares will be recognised only if:

- in the case of dealings of the type to be effected using CHESS, the transferee is registered on the iCar Share Register as the holder of the relevant iCar Shares before the Scheme Record Date; and
- in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received by the iCar Share Registry before the Scheme Record Date (and the transferee remains registered as at the Scheme Record Date).

For the purposes of determining entitlements under the Scheme, iCar will not accept for registration or recognise any transfer or transmission applications in respect of iCar Shares received after the Scheme Record Date.

#### (2) Dealings after the Scheme Record Date

For the purpose of determining entitlements to the Scheme Consideration, iCar must maintain the iCar Share Register in its form as at the Scheme Record Date until the Scheme Consideration has been paid to the Scheme Shareholders. The iCar Share Register in this form will solely determine entitlements to the Scheme Consideration.

After the Scheme Record Date:

- all statements of holding for iCar Shares (other than statements of holding in favour of Carsome) will cease to have effect as documents relating to title in respect of such iCar Shares; and
- each entry on the iCar Share Register (other than entries on the iCar Share Register in respect of Carsome) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the iCar Shares relating to that entry.

### (e) Implementation Date

By no later than the Business Day before the Implementation Date (currently expected to be Thursday, 10 February 2022), Carsome will deposit, or procure the deposit of, in cleared funds, an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders under the Scheme into an Australian dollar denominated trust account with an authorised deposit-taking institution in Australia operated by iCar as trustee for those Scheme Shareholders.

Scheme Shareholders will be sent the Scheme Consideration on the Implementation Date. Immediately after the Scheme Consideration is sent to Scheme Shareholders, the Scheme Shares will be transferred to Carsome.

(f) **Deed Poll**

As at the date of this Scheme Booklet, a Deed Poll has been entered into by Carsome in favour of the Scheme Shareholders, to, subject to the terms of the Scheme:

- provide the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders under the Scheme, subject to the Scheme becoming Effective; and
- undertake all other actions, and give each acknowledgement, representation and warranty (if any), attributed to Carsome under the Scheme.

A copy of the Deed Poll is contained in Annexure 3.

#### 4.6 **Warranties by Scheme Shareholders**

Under the terms of the Scheme, each Scheme Shareholder is taken to have warranted to iCar and Carsome, and appointed and authorised iCar as its attorney and agent to warrant to Carsome, on the Implementation Date, that:

- all their iCar Shares (including any rights and entitlements attaching to those shares) which are transferred under the Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their iCar Shares to Carsome together with any rights and entitlements attaching to those shares. iCar undertakes that it will provide such warranty to Carsome as agent and attorney of each Scheme Shareholder; and
- they have no existing right to be issued any iCar Shares, iCar Equity Incentives or any other iCar equity securities. iCar undertakes that it will provide such warranty to Carsome as agent and attorney of each Scheme Shareholder.

#### 4.7 **Delisting of iCar**

iCar will apply for the termination of the official quotation of iCar Shares on the ASX and for iCar to be removed from the official list of the ASX, each to occur on a date after the Implementation Date.

## 5. Information about iCar

### 5.1 Introduction and business overview

iCar was listed on the ASX on 10 September 2012. Headquartered in Kuala Lumpur, Malaysia, iCar owns and operates ASEAN's No. 1 network of online automotive portals in Malaysia, Indonesia and Thailand.

iCar's online automotive portals provide platforms to engage with consumers throughout their entire automotive ownership journey. iCar's platforms successfully engage with and connect buyers and sellers to drive new and used automotive transactions. This is achieved through the provision of classified marketplaces and automotive news content.

iCar's key customers are consumers, used and new car dealers, car manufacturers and auxiliary service providers to the automotive industry (for example finance, insurance, warranty and car servicing providers).

Revenue is primarily derived from classified subscriptions and other forms of media or advertising, in addition to revenue earned through commissions for auctions, warranties, inspections, private seller services as well as proprietary car trading.

Supported by a team of approximately 350 employees as at 30 June 2021, iCar's online properties currently reach approximately 10 million car buyers and sellers every month.

### 5.2 iCar Board and senior management

#### (a) iCar Board

The iCar Board comprises the following directors:

Name	Position
Georg Chmiel	Executive Chairman
Hamish Stone	Managing Director and Chief Executive Officer
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



**(b) iCar senior management**

iCar's senior management comprises the following members:

Name	Position
Georg Chmiel	Executive Chairman
Hamish Stone	Managing Director and Chief Executive Officer
Yee Chin Beng	Chief Financial Officer
Kjetil Jakobsen	Chief Information Officer

### 5.3 Historical financial information

**(a) Basis of preparation**

This section 5.3 sets out a summary of historical financial information in relation to iCar for the purpose of this Scheme Booklet. The financial information has been derived from iCar's financial statements for the half year ended 30 June 2021 and the financial years ended 31 December 2020 and 31 December 2019, which were audited by Ernst & Young.

The historical financial information of iCar is presented in an abbreviated form and does not contain all the disclosures, presentation, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. iCar considers that for the purposes of this Scheme Booklet the historical financial information presented in an abbreviated form is more meaningful to Independent iCar Shareholders.

Further detail on iCar's financial performance can be found in:

- The financial statements for the half year ended 30 June 2021 (included in the Half Year Report released to ASX on 31 August 2021);
- the financial statements for the year ended 31 December 2020 (included in the Annual Financial Report released to the ASX on 19 March 2021 and the Annual Report released to the ASX on 3 May 2021); and
- the financial statements for the year ended 31 December 2019 (included in the Annual Financial Report released to the ASX on 27 February 2020 and the Annual Report released to the ASX on 29 April 2020),

each of which can be found on iCar's website ([www.icarasia.com](http://www.icarasia.com)) or the ASX website ([www2.asx.com.au](http://www2.asx.com.au)).

## 5. Information about iCar (continued)

### (b) Historical consolidated income statement

**iCar Asia Limited and Controlled Entities**  
**Consolidated Statement of Comprehensive Income**

	<b>6 months ended</b> <b>30 Jun 2021</b>	<b>Consolidated</b> <b>12 months ended</b> <b>31 Dec 2020</b>	<b>12 months ended</b> <b>31 Dec 2019</b>
	\$	\$	\$
<b>Revenue</b>			
Revenue from contracts with customers	8,073,798	13,837,374	14,794,901
Other revenue	115,071	218,373	46,397
<b>Total revenue</b>	<u>8,188,869</u>	<u>14,055,747</u>	<u>14,841,298</u>
<b>Expenses</b>			
Administration and related expenses	( 1,755,714 )	( 2,578,890 )	( 2,425,487 )
Advertising and marketing expenses	( 1,461,308 )	( 3,146,031 )	( 6,076,286 )
Cost of goods sold	( 2,126,296 )	( 1,228,554 )	( 550,382 )
Employment related expenses	( 5,751,347 )	( 11,833,047 )	( 11,192,098 )
Premises and infrastructure expenses	( 583,835 )	( 1,628,508 )	( 1,310,814 )
Offline production costs	( 93,183 )	( 47,061 )	( 23,396 )
Depreciation and amortisation expense	( 1,558,810 )	( 3,756,006 )	( 3,505,978 )
<b>Operating (loss)</b>	<u>( 5,141,624 )</u>	<u>( 10,162,350 )</u>	<u>( 10,243,143 )</u>
Interest income	561,957	15,332	101,364
Interest expense	( 252,416 )	( 382,476 )	( 440,971 )
<b>(Loss) before tax</b>	<u>( 4,832,083 )</u>	<u>( 10,529,494 )</u>	<u>( 10,582,750 )</u>
Income tax expense	( 45,751 )	( 139,024 )	( 203,807 )
<b>(Loss) after income tax expense for the year attributable to the owners of iCar Asia Limited and Controlled Entities</b>	<u>( 4,877,834 )</u>	<u>( 10,668,518 )</u>	<u>( 10,786,557 )</u>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	( 1,240,453 )	( 3,472,970 )	1,473,170
Items that may not be reclassified subsequently to profit or loss			
Remeasurements of employee defined benefit	-	155,121	82,265
Other comprehensive income/(loss) for the year, net of tax	<u>( 1,240,453 )</u>	<u>( 3,317,849 )</u>	<u>1,555,435</u>
<b>Total comprehensive (loss) for the year attributable to the owners of iCar Asia Limited and Controlled Entities</b>	<u>( 6,118,287 )</u>	<u>( 13,986,367 )</u>	<u>( 9,231,122 )</u>

(c) Historical consolidated statement of financial position

iCar Asia Limited and Controlled Entities  
Consolidated Statement of Financial Position

	30 Jun 2021	Consolidated 31 Dec 2020	31 Dec 2019
	\$	\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1,472,182	2,165,797	6,833,304
Trade and other receivables and contract assets	953,780	1,412,983	1,202,088
Other assets	3,155,511	2,733,676	3,303,142
<b>Total current assets</b>	<b>5,581,473</b>	<b>6,312,456</b>	<b>11,338,534</b>
<b>Non-current assets</b>			
Property, plant and equipment	321,608	517,689	708,359
Right-of-use assets	1,235,424	1,501,635	1,048,542
Intangibles	7,873,416	8,196,299	10,092,524
Goodwill	21,522,829	22,453,192	24,565,771
Other non-current assets	-	-	83,314
<b>Total non-current assets</b>	<b>30,953,277</b>	<b>32,668,815</b>	<b>36,498,510</b>
<b>Total assets</b>	<b>36,534,750</b>	<b>38,981,271</b>	<b>47,837,044</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	3,143,972	3,471,486	3,886,286
Contract liabilities	1,928,017	1,702,295	1,838,120
Lease liabilities	747,730	663,039	513,255
Provisions	1,660,904	1,392,821	1,301,780
Other current liabilities	1,515,862	1,622,346	1,744,015
Borrowings	-	1,715,669	-
<b>Total current liabilities</b>	<b>8,996,485</b>	<b>10,567,656</b>	<b>9,283,456</b>
<b>Non-current liabilities</b>			
Provisions	806,064	830,016	743,149
Lease liabilities	544,624	856,305	490,823
Deferred tax liabilities	107,888	109,733	121,345
Borrowings	4,261,728	-	-
<b>Total non-current liabilities</b>	<b>5,720,304</b>	<b>1,796,054</b>	<b>1,355,317</b>
<b>Total liabilities</b>	<b>14,716,789</b>	<b>12,363,710</b>	<b>10,638,773</b>
<b>Net assets</b>	<b>21,817,961</b>	<b>26,617,561</b>	<b>37,198,271</b>
<b>Equity</b>			
Issued capital	135,782,690	134,170,159	132,051,813
Reserves	(8,099,394)	(6,565,097)	(4,260,866)
Accumulated losses	(105,865,335)	(100,987,501)	(90,592,676)
<b>Total equity</b>	<b>21,817,961</b>	<b>26,617,561</b>	<b>37,198,271</b>

## 5. Information about iCar (continued)

### (d) Historical consolidated statement of cash flows

**iCar Asia Limited and Controlled Entities**  
**Consolidated Statement of Changes in Cash Flows**

	6 months ended 30 Jun 2021	Consolidated 6 months ended 31 Dec 2020	6 months ended 31 Dec 2019
	\$	\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers	8,998,001	14,098,589	16,074,874
Payments to suppliers and employees	( 11,529,808 )	( 19,328,870 )	( 22,267,799 )
Income tax paid	( 54,263 )	( 160,765 )	( 130,404 )
	<u>( 2,586,070 )</u>	<u>( 5,391,046 )</u>	<u>( 6,323,329 )</u>
Interest received	1,705	15,940	107,810
Interest paid	( 84,815 )	( 131,088 )	( 147,695 )
	<u>( 2,669,180 )</u>	<u>( 5,506,194 )</u>	<u>( 6,363,214 )</u>
Net cash used in operating activities			
	<u>( 2,669,180 )</u>	<u>( 5,506,194 )</u>	<u>( 6,363,214 )</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	( 14,626 )	( 238,180 )	( 104,811 )
Payments for intangibles	( 454,290 )	( 607,259 )	( 857,395 )
Payments for purchase of subsidiaries, net of cash acquired	-	-	( 2,165,597 )
	<u>( 468,916 )</u>	<u>( 845,439 )</u>	<u>( 3,127,803 )</u>
Net cash used in investing activities			
	<u>( 468,916 )</u>	<u>( 845,439 )</u>	<u>( 3,127,803 )</u>
<b>Cash flows from financing activities</b>			
Proceeds from short term loan facility	3,000,000	2,000,000	-
Proceeds from options exercised	-	755,555	7,675,275
Share issue transaction costs	-	-	( 33,320 )
Payment of lease liabilities	( 377,859 )	( 825,371 )	( 653,530 )
	<u>2,622,141</u>	<u>1,930,184</u>	<u>6,988,425</u>
Net cash from financing activities			
	<u>2,622,141</u>	<u>1,930,184</u>	<u>6,988,425</u>
Net decrease in cash and cash equivalents	( 515,955 )	( 4,421,449 )	( 2,502,592 )
Net foreign exchange difference	( 177,660 )	( 246,058 )	( 195,825 )
Cash, cash equivalents and investments at the beginning of the year	<u>2,165,797</u>	<u>6,833,304</u>	<u>9,531,721</u>
<b>Cash, cash equivalents and investments at the end of the period/ year</b>	<u><b>1,472,182</b></u>	<u><b>2,165,797</b></u>	<u><b>6,833,304</b></u>



## 5.4 Material changes in financial position (since 30 June 2021)

To the knowledge of the iCar Directors, there have been no material changes to the financial position of iCar and the iCar Group since 30 June 2021, being the date of the iCar financial statements for the half year ended 30 June 2021 (released to ASX on 31 August 2021).

Independent iCar Shareholders may obtain a copy of iCar's 2021 Half Year Report (including its audited financial statements in respect of the half year ended 30 June 2021) from ASX's website ([www2.asx.com.au](http://www2.asx.com.au)), from iCar's website ([www.icarasia.com](http://www.icarasia.com)) or by calling the iCar Shareholder information line on 1300 237 569 (within Australia) or +61 2 9066 4054 (outside Australia), between 8:30am and 5:00pm (Sydney time), Monday to Saturday (excluding Australian national public holidays).

## 5.5 Transaction history

On 30 October 2020, iCar announced the receipt of a non-binding indicative proposal from Autohome. The engagement with Autohome was on a non-exclusive basis.

In the period between receipt of the non-binding indicative proposal from Autohome and Autohome's withdrawal of its proposal on 20 July 2021, iCar and its advisers actively explored with a number of parties whether they could propose a superior change of control proposal for iCar. No such proposal emerged until the non-binding indicative proposal from Carsome, which was announced on 13 July 2021.

Following receipt of the non-binding indicative proposal from Carsome, and prior to entering into the Process Deed with Carsome on 28 July 2021, iCar and its advisers again explored whether alternative parties could propose a superior change of control proposal for iCar.

Since receipt of the proposal from Carsome and up to the date of this Scheme Booklet, no Superior Proposal has emerged and the iCar IBC is not aware, as at the Last Practicable Date, of any Superior Proposal that is likely to emerge.

## 5.6 COVID-19 recovery

The COVID-19 situation remains fluid in all operating countries, contingent on the evolving circumstances and prevailing measures taken by the respective governments.

In Malaysia, lockdowns under Movement Control Order (**MCO**) 2.0 were introduced from 13 January 2021 to 4 March 2021. MCO 2.0 restricted social movement however most economic sectors were allowed to operate. Once this ended then most sectors of the economy began to recover. Further lockdowns in the form of MCO 3.0 were introduced from 1 June 2021 to mid-August 2021 and this restricted the operations of used and new car dealers and impacted iCar's Malaysian operations significantly. From mid-August these restrictions were gradually reduced with classified and advertising revenues improving steadily from this point onwards.

In Thailand, the government also introduced some COVID-19 containment measures. From April 2021 work from home restrictions were introduced following an increase in the number of COVID-19 cases across the country. As the number of COVID-19 cases continued to increase into the second half of the year, classified and advertising revenue was impacted as car dealers and car manufacturers both scaled back advertising spend. Going into the last quarter of the calendar year, conditions in Thailand are expected to improve, with year-end promotions and a large scale new car event (the 38<sup>th</sup> International Motor Expo 2021), which is scheduled for December 2021. This is an annual event which features all the top car and motorcycle brands available in Thailand and should lead to increased advertising spend from the Expo's exhibitors.

## 5. Information about iCar (continued)

In Indonesia, large scale social restrictions implemented in 2020 continued in 2021, with sanctions imposed for local governors if implementation of restrictions were not followed. Financing restrictions also continued, whilst a range of vehicle tax waivers commenced for some new cars categories. Following increased numbers of COVID-19 across the country, higher levels of restrictions were introduced in the third quarter of 2021, with all car dealerships closed (except for servicing). In the fourth quarter of 2021, dealerships were allowed to reopen, however at reduced capacity. Accordingly the Indonesian business continues to be impacted by COVID-19.

Despite these challenging operating conditions, iCar has started to see signs of recovery in the third quarter of 2021. Cash receipts in the third quarter of 2021 grew by 20% year on year to reach \$4.12m with the increase contributed coming from higher car trading receipts. This result was achieved despite iCar's operations in Malaysia and Indonesia being severely impacted by COVID-19 related business and movement restrictions throughout July and August.

Net operating cash outflow for the third quarter of 2021 was \$1.52m, at similar to second quarter 2021 levels despite the severe lockdowns in Malaysia and Indonesia for the most part of the quarter.

### 5.7 Capital structure

As at the Last Practicable Date, the capital structure of iCar was:

Type of security	Number on issue
iCar Shares	449,830,496
iCar Options	1,000,000 unlisted employee options exercisable at \$0.40 and expiring on 31 December 2021
iCar Performance Rights	<ul style="list-style-type: none"><li>entitlement to be issued 149,934 iCar Shares pursuant to the LTVC Scheme due to vest on 31 January 2022</li><li>entitlement to be issued 339,612 iCar Shares pursuant to the LTVC Scheme due to vest on 31 January 2022 and subject to shareholder approval at iCar's May 2022 Annual General Meeting</li><li>entitlement to be issued 267,862 iCar Shares pursuant to the LTI Plan for 2019 due to vest on 31 March 2022</li><li>entitlement to be issued 867,871 iCar Shares pursuant to the LTI Plan for 2019 due to vest on 31 March 2022 and subject to shareholder approval at iCar's May 2022 Annual General Meeting</li><li>entitlement to be issued 358,246 iCar Shares pursuant to the LTI Plan for 2020 due to vest on 30 September 2021</li><li>entitlement to be issued 516,290 iCar Shares pursuant to the LTI Plan for 2020 due to vest on 30 September 2021 and subject to shareholder approval at iCar's May 2022 Annual General Meeting</li></ul>

- entitlement to be issued 358,246 iCar Shares pursuant to the LTI Plan for 2020 due to vest on 31 March 2022
- entitlement to be issued 387,217 iCar Shares pursuant to the LTI Plan for 2020 due to vest on 31 March 2022 and subject to shareholder approval at iCar's May 2022 Annual General Meeting
- entitlement to be issued 358,246 iCar Shares pursuant to the LTI Plan for 2020 due to vest on 31 March 2023
- entitlement to be issued 387,217 iCar Shares pursuant to the LTI Plan for 2020 due to vest on 31 March 2023 and subject to shareholder approval at iCar's May 2023 Annual General Meeting

Additional details about iCar's equity incentive plan are set out in section 9.2.

## 5.8 Substantial holders in iCar Shares

Based on filings released on the ASX on or before the Last Practicable Date, so far as known to iCar, the following persons were substantial holders of iCar Shares:

Substantial holder	Number of iCar Shares	Voting power in iCar <sup>17</sup>
Carsome	132,361,490	29.43%
Catcha Group Pte Ltd	132,361,490	29.43%
Carsales.com Ltd (Carsales.com)	50,083,433	11.13%
Collins St Asset Management ATF Collins St Value Fund	46,364,254	10.31%
PM Capital Limited Group	36,425,873	8.10%

## 5.9 Publicly available information about iCar

iCar is a listed disclosing entity for the purpose of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a company listed on ASX, iCar is subject to Listing Rules which require (subject to some exceptions) continuous disclosure of any information that iCar has that a reasonable person would expect to have a material effect on the price or value of iCar Shares.

ASX maintains files containing publicly disclosed information about all entities listed on ASX. Information disclosed to ASX by iCar is available on ASX's website at [www2.asx.com.au](http://www2.asx.com.au).

<sup>17</sup> Voting power has been calculated based on the number of iCar Shares held by the substantial holder as disclosed in the relevant filing released on the ASX divided by 449,830,496 iCar Shares on issue as at the Last Practicable Date.

## 5. Information about iCar (continued)

In addition, iCar is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by iCar may be obtained from an ASIC office.

Independent iCar Shareholders may obtain a copy of iCar's 2021 Half Year Report (including its audited financial statements in respect of the half year ended 30 June 2021) from ASX's website ([www2.asx.com.au](http://www2.asx.com.au)), from iCar's website ([www.icarasia.com](http://www.icarasia.com)) or by calling the iCar Shareholder information line on 1300 237 569 (within Australia) or +61 2 9066 4054 (outside Australia), between 8:30am and 5:00pm (Sydney time), Monday to Saturday (excluding Australian national public holidays).



## 6. Information about Carsome

This section 6 has been prepared by Carsome. The information concerning Carsome and Carsome Group and the intentions, views and opinions contained in this section 6 are the responsibility of Carsome. Neither iCar, nor any other iCar Group Members, nor any of their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information in this section 6.

### 6.1 Overview of Carsome

#### (a) Principal activities and operations

Carsome is a proprietary company incorporated in Singapore on 20 July 2020.

Carsome is Southeast Asia's largest integrated car e-commerce platform. Carsome provides end-to-end solutions to consumers and used car dealers, from car inspection to ownership transfer to financing. With a presence across Malaysia, Indonesia, Thailand and Singapore, Carsome's aim is to digitize the used car industry in the Southeast Asian region by reshaping and elevating the car buying and selling experience.

More information about Carsome's activities and operations can be found at <https://www.carsome.my/>.

#### (b) Carsome Board

As at the date of this Scheme Booklet, the Carsome Board and key senior management comprises the following (with brief profiles set out below):

- **Cheng Kee Choon (Eric)** – Co-founder, Chief Executive Officer

Eric is a seasoned entrepreneur having founded several businesses, including a print magazine, a digital ad network and a mobile gaming platform, before founding Carsome in 2015. Eric is the chief strategist and the growth leader of Carsome Group, leading the regional team in business development, vertical expansion and all other strategic aspects of Carsome. Eric has over 10 years of experience in digital marketing, having helmed the team in Innity, one of Malaysia's largest media companies.

- **Teoh Jiun Ee (JT)** – Co-founder, Director

JT is the Co-founder of Carsome Group and previously worked with Eric at Innity. JT was previously the Chief Operating Officer of Carsome, having developed the operational team and grown it to its current scale. JT is now taking on corporate partnerships and business development roles in the company, and also oversees the human resources development policy making. JT holds a Bachelor's Degree in Marketing from the University of Hertfordshire, UK.

- **Oliver Minho Rippel** – Director (nominee of investor)

Oliver is a nominee director of Asia Partners, an investor in Carsome. Oliver joined Asia Partners as a Founding Partner. Previously he was the CEO of B2C e-commerce for Naspers, which included all e-tail, marketplace, and travel operations globally. Oliver also led all of Naspers' investments in Flipkart, where he served as Naspers' appointed Director to the Board of Flipkart for six years. In August 2018, Flipkart's exit to Walmart was one of the largest historical exits in the Internet and e-commerce space, and India's largest ever exit of a technology company.

## 6. Information about Carsome (continued)

- **Thomas Tsao Gai Tei** – Director (nominee of investor)

Thomas is a nominee director of Gobi Partners, an investor in Carsome. In 2002, Thomas co-founded Gobi Partners, a leading venture capital firm investing in emerging and underserved markets across Asia with US\$1.1 billion in assets under management. Since 2002, Gobi Partners has backed over 270 startups across 13 countries with 9 unicorns in Southeast Asia, the Middle East, South Asia and North Asia. In China, Thomas and his partners were first-round investors into Airwallex, Dianwoda, Teambition, Tuniu and UR (Urban Revivo). He was named on the Forbes List of China's Top VCs from 2013 - 2017. Thomas also served as CEO for DMG for two years and created the world's first subway soap opera starring Huang Xiaoming.

- **Albert Cee Shyy** – Director (nominee of investor)

Albert is a nominee director of Burda Principal Investments, an investor in Carsome. Albert is the Managing Director Asia at Burda Principal Investments, the growth capital arm of media and tech company Hubert Burda Media and has led investments in Southeast Asia into companies such as fashion marketplace Zilingo and co-living operator Hmlet. Prior to joining Hubert Burda Media, Albert led investment activities for GREE Ventures (now Strive) in Southeast Asia and India, where he was on the board of several portfolio companies including Indonesian payment firm Kudo and eCommerce company Berrybenka.

- **Kristian Lee Ju P'ng** – Director (nominee of investor)

Kristian is a nominee director of IdeaRiverRun, an investor in Carsome. Kristian currently serves as CEO of Naga DDB Tribal, one of Malaysia's largest creative branding and advertising agencies. He also holds the position of Group Executive Director of its holding company, Foetus International, an integrated network of marketing communications agencies based in Malaysia.

- **Patrick Y-Kin Grove** – Director (nominee of investor)

Patrick is a nominee director of Catcha (which is both an investor in Carsome and (through Catcha Sub) a shareholder in iCar) and is also a non-executive director on the iCar Board. Patrick is the Chief Executive Officer, Chairman and major shareholder of Catcha, Chairman and Chief Executive Officer of Catcha Investment Corp, a special purpose acquisition company listed on the New York Stock Exchange and is also a Director of Catcha Digital Berhad, a Malaysia-listed company.

Patrick's experience includes mergers and acquisitions and the extraction of investment value in high growth, media and technology environments. Patrick has built a number of significant media and internet businesses across Asia and has taken six businesses from start-up to initial public offering. He has been recognised with numerous international awards, including Global Leader of Tomorrow by the World Economic Forum (2001), New Asian Leader by the World Economic Forum (2003), Entrepreneur of the Year by the Australian Chamber of Commerce (2004), Business Week Asia's Top Entrepreneur under 40 (2008), one of Asia's Best Young Entrepreneurs by Bloomberg Businessweek (2008), and Top 50 Global Achiever (2013) by Australia Unlimited. Patrick holds a Bachelor of Commerce degree with majors in Accounting and Finance from the University of Sydney.

### (c) **Ownership of Carsome**

Carsome is a widely held private company with approximately 40 shareholders, including the co-founders of Carsome, Cheng Kee Choon (Eric) and Teoh Jiun Ee (JT) who collectively hold approximately 19% of the share capital of Carsome. Carsome's shareholders are largely comprised of institutional investors such as venture capital funds and private equity funds that are both regional and local.

As at the Last Practicable Date, Catcha and its affiliates hold shares representing approximately 5% of the share capital of Carsome.

## 6.2 Rationale for proposed acquisition of iCar

The proposed acquisition of iCar under the terms of the Scheme and the Carsome/Catcha Transaction will combine Carsome's integrated car e-commerce platform with iCar's complementary business also operating in the Malaysian, Indonesian, Thai and Singaporean markets. The acquisition of iCar is expected to enable Carsome to offer an integrated online automotive platform for users through which dealers can source, advertise and sell cars and consumers can research, sell and buy cars in the region.

The acquisition is being undertaken in line with Carsome's aim to expand its offering to cover all aspects of the automotive acquisition process – from search, transaction, finance and insurance to after-sales services – and will enable Carsome to provide an enhanced suite of digital products and services across the entire automotive buying and selling value chain. Carsome also views the combination of the two businesses as a valuable opportunity to share and build on the talent, learning and best practices of Carsome and iCar as Carsome continues to grow its business offering.

## 6.3 Funding arrangements for the Scheme Consideration

### (a) Maximum Scheme Consideration

The Scheme Consideration will be paid wholly in cash.

If the Scheme is approved and implemented, each Scheme Shareholder will be entitled to receive \$0.53 cash for each iCar Share that they own as at the Scheme Record Date, as further described in section 4.1 of this Scheme Booklet.

Having regard to iCar's issued share capital as at the Last Practicable Date (see section 5.7 of this Scheme Booklet), the total cash amount of \$0.53 per iCar Share offered to Independent iCar Shareholders and the proposed treatment of the iCar Options and the iCar Performance Rights (see section 9.2 of this Scheme Booklet), the maximum consideration payable by Carsome in connection with the Scheme will be \$170,503,667<sup>18</sup> (**Maximum Scheme Consideration**).

Pursuant to the Deed Poll, Carsome has undertaken in favour of each Scheme Shareholder to deposit, or procure the deposit of, an amount equal to the Scheme Consideration payable to all Scheme Shareholders into a trust account operated by iCar as trustee for the Scheme Shareholders by the Business Day prior to the Implementation Date.

For further details regarding Carsome's obligations under the Deed Poll, see section 4.5(f) of this Scheme Booklet. A copy of the Deed Poll is reproduced in Annexure 3.

### (b) Overview of funding arrangements

The Maximum Scheme Consideration and any associated transaction costs are proposed to be funded by Carsome through its existing cash reserves. As at the date of this Scheme Booklet, Carsome has available cash reserves that exceed the Maximum Scheme Consideration and Carsome has reserved an amount equal to the Maximum Scheme Consideration to satisfy its obligations to pay that amount in accordance with the Scheme Implementation Deed and the Deed Poll.

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<sup>18</sup> Comprising the aggregate Scheme Consideration of \$168,258,574 plus the total amount payable in connection with the cancellation of the iCar Options and the iCar Performance Rights being \$2,245,093.



## 6. Information about Carsome (continued)

On the basis of arrangements described in this section 6.3, Carsome is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will have sufficient funds available to fund the payment of the Scheme Consideration and related transaction costs.

### 6.4 Intentions if the Scheme is implemented

This section 6.4 sets out the current intentions of Carsome in relation to:

- the continuation of the operations and business of iCar, including any redeployment of significant assets of iCar;
- changes to the iCar Board and the iCar management team;
- the future employment of the present employees of iCar; and
- the delisting of iCar from the ASX,

assuming Carsome acquires the Scheme Shares as a result of implementation of the Scheme.

The statements in this section 6.4 regarding Carsome's intentions are based on information concerning the iCar Group and the general business environment which are known to Carsome at the time of the preparation of this Scheme Booklet (including certain limited non-public information made available by iCar to Carsome). However, Carsome does not currently have knowledge of all information that is necessary to determine all the operational, commercial, taxation and financial implications of its current intentions.

Following implementation of the Scheme, Carsome intends to conduct a strategic review of iCar and its operations, assets, liabilities, structure and employees and any final decisions regarding these matters will be made after completion of that review and in light of all material information, facts and circumstances at the relevant time if the Scheme is implemented.

Accordingly, it is important to recognise that the statements set out in this section 6.4 are statements of current intention only and may change as new information becomes available or circumstances change.

#### (a) Business, operations and assets

Based on its current understanding and limited evaluation of the iCar business and subject to completion of the strategic review referred to above, it is Carsome's current intention that:

- no major changes will be made to the iCar business or deployment of the fixed assets of iCar;
- it will continue the present strategic direction of iCar; and
- it will work with iCar's management team to optimise the prospects and operating performance of the iCar business.

Carsome also intends to explore potential efficiencies across the Carsome and iCar businesses where it is commercially appropriate to do so. Carsome does not believe it currently has sufficient information to have a reasonable basis for estimating the value of these potential efficiencies or the impact they may have on the operation of iCar's business following implementation of the Scheme.

Carsome is a private company and may in the future consider numerous strategic options, including a possible listing of the shares of Carsome, which may include the iCar business and assets, on an international stock exchange or other alternative transactions.



No decision has been made on whether to pursue, and the timing of, such future strategic options.

**(b) iCar Board**

If the Scheme is implemented, Carsome's intention is that, other than the current nominee directors of Catcha (being Patrick Grove and Lucas Elliott), the current directors on the iCar Board will resign, effective on the Implementation Date. Whether or not the nominees of Catcha will be required to resign on the Implementation Date has not yet been determined by Carsome and will depend upon the final decisions that Carsome makes as to the identity of the other members of the iCar Board on and from the Implementation Date. On the Implementation Date, Carsome intends to reconstitute the iCar Board so that it is comprised of nominees appointed by Carsome (which may or may not include Patrick Grove and Lucas Elliott).

The identity of the Carsome nominees has not yet been determined by Carsome, but will be selected to bring technical and managerial expertise to the iCar Board.

The identity of the proposed Carsome nominees will depend on the circumstances at the relevant time, however, it is expected that a majority of the nominee board members will be drawn from the existing boards of directors and management teams of the Carsome Group.

No final decisions have been made and any nomination would be subject to any required regulatory approvals and consents. However, Carsome may start any such regulatory processes in respect of potential nominees before implementation of the Scheme.

**(c) Employees and management team**

Carsome recognises that the iCar employees and management team are an integral part, and key to the success, of iCar's business. Carsome intends to make limited changes to employee and management roles as a result of iCar no longer being a listed entity and becoming part of the Carsome Group. Other than such changes, definitive plans in relation to the employee and management base at iCar have not yet been fully determined, however Carsome's intention is to retain the majority of iCar's existing employees in line with current operations.

The detailed review of iCar's operations referred to above in this section 6.4 will include specific consideration of employees and organisational structure. Accordingly, final decisions on these matters (including changes to the employment of the present employees of iCar) will, if necessary, only be made by Carsome following completion of the post-implementation review process described above and will be based on all material facts and circumstances at the relevant time.

In terms of incentive arrangements after the Implementation Date, as set out in section 9.2(b), iCar and Carsome have agreed to a proposal whereby the iCar Board will make a determination on the grant of the Future 2021 LTI Performance Rights in the usual course in early 2022. In respect of any individuals who the iCar Board determines would be entitled to a grant of Future 2021 LTI Performance Rights due to vest after April 2022, such grants will not be made by iCar and those individuals will be offered the opportunity by Carsome to participate in Carsome's internal bonus scheme (subject to the Scheme becoming Effective and those individuals remaining employed with iCar).

Carsome has not made any final determinations as to the structure or entitlements that will be offered to those individuals under the bonus scheme but Carsome has committed to iCar that those individuals would not be in a worse position on an equivalent cash basis under Carsome's internal bonus scheme than they would have been if they had been granted the relevant Future 2021 LTI Performance Rights.

## 6. Information about Carsome (continued)

### (d) Delisting

If the Scheme is implemented, an application will be made to the ASX for iCar to be removed from the ASX's official list, with effect from on or shortly after the Implementation Date.

## 6.5 Carsome/Catcha Transaction

On 11 July 2021, in connection with their joint bid arrangements:

- Carsome, Catcha and Catcha Sub entered into the Carsome/Catcha Sale Agreement under which Carsome acquired 89,456,448 iCar Shares from Catcha and Catcha Sub on 31 August 2021, being approximately 19.89% of the iCar Shares on issue as at the date of this Scheme Booklet; and
- Carsome and Catcha entered into the Joint Bid Agreement, under which it is proposed that Carsome will acquire 42,905,042 iCar Shares (**Catcha iCar Shares**) held by Catcha Sub, being approximately 9.54% of the iCar Shares on issue as at the date of this Scheme Booklet. The Catcha iCar Shares will not be acquired by Carsome pursuant to the Scheme.

On 12 August 2021, joint bid relief was granted by ASIC in connection with the entry into the Carsome/Catcha Sale Agreement and the Joint Bid Agreement, details in relation to which are set out in section 9.11(c) of this Scheme Booklet.

### (a) Carsome/Catcha Sale Agreement

The 89,456,448 iCar Shares acquired by Carsome under the Carsome/Catcha Sale Agreement were acquired in consideration for the issue of 1,703,174 preference D2 redeemable convertible preference shares in the capital of Carsome (**Carsome Consideration Shares**), as part of the joint bid arrangements between Carsome and Catcha. The Carsome Consideration Shares represented approximately 3.7% of the share capital of Carsome as at the time of their issue, being 31 August 2021. Catcha and Catcha Sub received 0.019 Carsome Consideration Shares per iCar Share, which the Independent Expert has determined implies a value per iCar Share of 0.61 based on the issue price of the Carsome Consideration Shares (being US\$24.24).

However, the Independent Expert has also noted that:

- in selling its iCar Shares under the Carsome/Catcha Sale Agreement and agreeing to sell its iCar Shares under the Joint Bid Agreement (as described below), Catcha Group has forgone its strategic shareholding in iCar and is now exposed to transaction risk in the sense that, if the Scheme does not become Effective, it will already have sold its 19.89% interest in iCar to Carsome but will be left with only a 9.54% shareholding in iCar which it will not transfer to Carsome under the Joint Bid Agreement in the absence of the Scheme;
- Catcha Group's interest in Carsome will be subject to ongoing economic, general business and strategy execution risk (including in connection with the ongoing impact of COVID-19 on businesses such like iCar and Carsome); and
- Carsome is a private unlisted entity and the Carsome Consideration Shares are substantially illiquid meaning that it is inherently uncertain as to how, when and at what price the Catcha Group will be able to monetise the value of those shares (notwithstanding that, as set out in section 6.4, Carsome may in the future consider numerous strategic options including a possible listing of the shares of Carsome on an international stock exchange).

The Scheme Consideration, by contrast, will be paid in cash and provides Independent iCar Shareholders with an opportunity to realise certain cash value for their iCar Shares and the ability to avoid the ongoing risks and uncertainties associated with iCar's

business and equity markets as further detailed sections 1.1 and 7 of this Scheme Booklet.

Further details of the Independent Expert's assessment of the value implied by the Carsome Consideration Shares, as well as the basis on which the Independent Expert has concluded the Scheme Consideration is fair and reasonable and therefore in the best interests of iCar Shareholders is set out in the Independent Expert's Report in Annexure 1.

#### (b) **Joint Bid Agreement**

Carsome and Catcha have agreed that the Catcha iCar Shares proposed to be acquired by Carsome under the Joint Bid Agreement will be acquired in consideration for the issue of 794,268 preference D2 redeemable convertible preference shares in the capital of Carsome (**Additional Carsome Consideration Shares**). The Additional Carsome Consideration Shares represent approximately 1.67% of the share capital of Carsome as at the date of this Scheme Booklet. Catcha and Catcha Sub will receive 0.019 Additional Carsome Consideration Shares per iCar Share. Consistent with the position above for the iCar Shares acquired under the Carsome/Catcha Sale Agreement, the Independent Expert has determined the Additional Carsome Consideration Shares imply a value per iCar Share of \$0.61 based on the cash issue price of the Carsome Consideration Shares (being US\$24.24).

Carsome is proposing to acquire the Catcha iCar Shares pursuant to the Carsome/Catcha Transaction as part of the joint bid arrangements between Carsome and Catcha.

The comments noted by the Independent Expert in relation to the Carsome Consideration Shares apply equally to the Additional Carsome Consideration Shares which have the same disadvantages as compared to the Scheme Consideration as set out above.

Further details of the Independent Expert's assessment of the value implied by the Carsome Consideration Shares and the Additional Carsome Consideration Shares, as well as the basis on which the Independent Expert has concluded the Scheme Consideration is fair and reasonable and therefore in the best interests of iCar Shareholders is set out in the Independent Expert's Report in Annexure 1.

Completion of the sale and purchase of the Catcha iCar Shares will take place immediately after the Scheme is implemented on the Implementation Date, or such other time as agreed between the parties to the Joint Bid Agreement.

The acquisition of the Catcha iCar Shares by Carsome under the Joint Bid Agreement will only occur in the event that the Scheme becomes Effective. Carsome will therefore not acquire the Catcha iCar Shares under the Joint Bid Agreement unless the Scheme is approved by both Independent iCar Shareholders and the Court.

A summary of the terms of the Joint Bid Agreement is set out in section 9.8 of this Scheme Booklet. A full copy of the Joint Bid Agreement can be obtained from the ASX website ([www2.asx.com.au](http://www2.asx.com.au)).

## 6.6 **Carsome's interests in iCar Shares**

#### (a) **Interests in iCar Shares**

As at the date of this Scheme Booklet, Carsome and its Related Bodies Corporate had a Relevant Interest in 29.43% of the iCar Shares, and voting power of 29.43% of iCar, arising as a result of:

- Carsome being the registered holder of 89,456,448 iCar Shares which were acquired pursuant to the Carsome/Catcha Sale Agreement on 31 August 2021; and

## 6. Information about Carsome (continued)

- Carsome and Catcha being party to the Joint Bid Agreement pursuant to which Carsome has agreed to acquire 42,905,042 iCar Shares held by Catcha Sub. However, neither Carsome nor any Related Body Corporate of Carsome has any ability to control the exercise of any votes in respect of those iCar Shares unless and until the Scheme becomes Effective and the purchase of those iCar Shares completes.

### (b) No dealings in iCar Shares in previous four months

Other than by entering into the Joint Bid Agreement and pursuant to the Carsome/Catcha Sale Agreement, none of Carsome or any of its Associates has provided, or agreed to provide, consideration for iCar Shares under any purchase or agreement during the four months before the date of this Scheme Booklet.

### (c) No inducing benefits given during previous four months

During the period of four months before the date of this Scheme Booklet, none of Carsome or any of its Associates gave, offered to give, or agreed to give, a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- (1) vote in favour of the Scheme; or
- (2) dispose of iCar Shares,

where the benefit was not offered to all iCar Shareholders.

### (d) Benefits to current iCar officers

None of Carsome or any of its Associates will be making any payment or giving any benefit to any current director, secretary or executive officer of iCar or any of its Related Bodies Corporate as at the date of this Scheme Booklet as compensation or consideration for, or otherwise in connection with, his or her retirement from their respective office in connection with the Scheme or the Carsome/Catcha Transaction.

## 6.7 No other material information

Other than as disclosed in sections 6, 9.8 and 9.11(c) there is no information regarding Carsome, Carsome Group, Carsome's intentions regarding iCar or any other information that is material to the making of a decision by an iCar Shareholder on whether or not to vote in favour of the Scheme that is within the knowledge of any director of Carsome as at the date of this Scheme Booklet that has not been previously disclosed to iCar Shareholders.



## 7. Risks

### 7.1 Introduction

In considering the Scheme, Independent iCar Shareholders should be aware that there are a number of risk factors, both general and specifically relating to iCar, which may affect iCar's assets and liabilities, financial position, profits and prospects and the ability to make future distributions to iCar Shareholders, and the price and/or value of iCar Shares.

If the Scheme proceeds, Independent iCar Shareholders will receive the Scheme Consideration, will cease to hold iCar Shares and will also no longer be exposed to the risks set out in this section 7 (and other risks to which iCar may be exposed).

If the Scheme does not proceed, Independent iCar Shareholders will continue to hold iCar Shares and continue to be exposed to risks associated with investment in iCar.

In deciding whether to vote in favour of the Scheme, Independent iCar Shareholders should read this Scheme Booklet carefully and consider the following risk factors. These risk factors do not take into account the individual investment objectives, financial situation, position or particular needs of Independent iCar Shareholders. In addition, this section 7 is a summary only and does not purport to list every risk that may be associated with an investment in iCar now or in the future. There also may be additional risks and uncertainties not currently known to iCar which may have a material adverse effect on iCar's assets and liabilities, financial position, profits and prospects and the ability to make future distributions to iCar Shareholders, and the price and/or value of iCar Shares.

Whilst the iCar IBC unanimously recommends that Independent iCar Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Independent iCar Shareholders, Independent iCar Shareholders are encouraged to make their own independent assessment as to whether to vote in favour of the Scheme.

### 7.2 General risks relating to the business and operations of iCar

iCar is exposed to a number of general risks that could materially adversely affect its assets and liabilities, financial position, profits, prospects and potential to make future distributions to iCar Shareholders, and the price and/or value of iCar Shares. General risks that may impact on iCar or the market for iCar Shares include:

- changes in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates, employment rates and consumer demand;
- natural disasters, catastrophes and disease or pandemic (including the outbreak, escalation or any impact of, or recovery from, COVID-19 or the COVID-19 Measures) and other macroeconomic occurrences, including but not limited to geopolitical events such as outbreak of hostilities, acts of terrorism and declarations of war;
- changes to government policy, legislation or regulation, both domestic and global, which may restrict or otherwise impact the business operations and activities of iCar;
- competition in the markets in which iCar operates;
- strategic, contractual and partnerships risks, including but not limited to the potential loss, non-renewal or renewal on less favourable terms of contracts or partnership agreements with third parties;
- variations in iCar's operating results;

# 7. Risks (continued)

- variations in recommendations by securities analysts and brokers;
- changes in investor sentiment and perceptions, market fluctuations and overall performance of the Australian and international stock markets;
- the operating and trading price performance of other comparable listed and unlisted entities;
- changes to accounting standards and reporting standards;
- changes to the current tax regime;
- claims, litigation, industry complaints, regulatory investigations and other disputes, which may be with or without merit, giving rise to, among other things, costs of defending and resolving such disputes, heightened public scrutiny and potential reputational harm;
- inclusion or removal from major market indices;
- general operational and business risks; and
- other risks and uncertainties which may not currently be known to iCar.

Some of these factors could affect iCar’s share price regardless of iCar’s underlying operating performance.

## 7.3 Specific risks relating to the business and operations of iCar

Risk	Potential impacts
<p><b>Stable delivery and reliable performance of the internet</b></p>	<p>iCar’s online businesses are dependent on the ongoing maintenance of the global, regional and local internet infrastructure, as well as telecommunications operators, data centres and other third parties, to provide the necessary products and services, data speed, capacity and security to allow it to offer viable services. The internet has experienced significant growth in the number of users and amount of traffic, in particular in Asia. To the extent that the internet continues to experience increased numbers of users, there can be no assurance that the internet infrastructure and internet providers will continue to be able to support the demands placed on it by continued growth without fail.</p> <p>Viruses, worms and similar programs, as well as problems with providers of telecommunications infrastructure supporting the network and power cuts, may also harm the performance of the internet. Any ongoing or serious disruptions to the performance of the internet in iCar’s markets will adversely affect its operations and growth plans and would damage its business reputation and brand name.</p>
<p><b>Financial performance is subject to fluctuations in website traffic</b></p>	<p>iCar relies on users visiting its websites to generate revenue. A decline in the number of users visiting its websites may have a material adverse impact on iCar’s financial performance.</p>

Risk	Potential impacts
<b>Attracting and retaining consumers to iCar's platforms</b>	<p>iCar's revenue will be affected by its ability to attract and retain users to iCar's numerous online platforms, who are interested in buying new or used cars. Various factors can affect the level of these consumers using these platforms, including:</p> <ul style="list-style-type: none"> <li>• <b>Marketing and promotions:</b> If iCar's marketing and promotion efforts are not effective this may result in fewer consumers using the platforms.</li> <li>• <b>Brand damage:</b> If iCar or one of its online brands suffer from reputational damage, consumer numbers could be affected.</li> <li>• <b>Interruptions to service provision:</b> iCar relies on third party telecommunications and hosting businesses to provide its various online platforms. If these services are interrupted consumer numbers are likely to be affected.</li> </ul>
<b>Relationship with car dealers and manufacturers</b>	<p>iCar generates revenue through advertisements from car dealers and manufacturers. Contracts between iCar and its advertisers are generally short term. There can be no guarantee that advertisers will renew their advertising agreements. Should a significant number of dealers cancel or fail to renew their agreements this may have an adverse effect on the growth prospects and financial performance of iCar. Dealers may also choose to establish their own online sales websites rather than utilising iCar to sell their motor vehicles online, which will in turn increase competition and affect the growth prospects and financial performance of iCar.</p>
<b>Reliance on car dealers to respond to leads</b>	<p>Once a lead is submitted to a car dealer through iCar's websites, it is the car dealer's responsibility to respond to the lead. There is a risk that car dealers may not appropriately respond to leads. This may have a negative impact on the consumer's perception of iCar, which in turn may have an impact on iCar's growth prospects and financial performance.</p>
<b>Cyber security</b>	<p>The cyber threat to companies around the world is increasing and iCar as an online business is exposed to these risks.</p> <p>iCar's business operations may be adversely affected by malicious third party applications that interfere with, or exploit, security flaws in its websites.</p> <p>Viruses, worms and other malicious software programs could, among other things, jeopardise the security of information stored in a user's computer or in iCar's computer systems or attempt to change the internet experience of users by interfering with iCar's ability to connect with its users. If iCar's efforts to combat these malicious applications are unsuccessful, or if its products and services have actual or perceived vulnerabilities, iCar's business reputation and brand name may be harmed and user traffic could decline, which may result in a material adverse effect on iCar's operations and financial performance.</p>

## 7. Risks (continued)

Risk	Potential impacts
<b>Reliance on key personnel</b>	<p>iCar's future success is dependent on the retention of key employees who are skilled in relationship management and technology. Competition for qualified employees in the industry could increase and the loss of a substantial number of qualified employees, or an inability to attract, retain and motivate additional highly-skilled employees required for iCar's activities, could adversely affect its growth plans and financial position.</p>
<b>Competition</b>	<p>The online automotive advertising industry is highly competitive. iCar's growth is dependant on achieving appreciable market share and differentiation from its key competitors. iCar's performance could be adversely affected if existing or new competitors reduce iCar's market share from its current level.</p> <p>The industry in which iCar is involved is subject to material domestic and global competition which is fast-paced and fast-changing. While iCar will undertake all reasonable due diligence in its business decisions and operations, iCar will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of iCar's projects and business. For instance, new technologies could result in iCar's various online platforms not being sufficiently differentiated to other similar offerings.</p> <p>Furthermore, the size and financial strength of some of iCar's competitors may make it difficult for iCar to maintain a competitive position in the geographic markets in which it competes. In particular, iCar's ability to develop additional online features could be adversely affected if it is unable to respond effectively and/or in a timely manner to the strategies and actions of competitors and potential competitors or the entry of new competitors into the market. This may in turn impede the financial condition and rate of growth of iCar.</p> <p>For these and other reasons, the competitive advantages that have enabled iCar to achieve market leading positions in the markets in which it operates in Malaysia, Thailand and Indonesia may have lessened.</p>
<b>Decline in automotive and general advertising market in iCar's target markets may affect financial performance</b>	<p>The general state of the automotive and general advertising markets in Malaysia, Thailand and Indonesia are subject to factors outside the control of iCar. Should these markets enter a downward cycle, this may have a broader impact on the ability of iCar to meet its objectives and on its financial performance.</p>
<b>Funding risks</b>	<p>iCar may require additional debt or equity capital in the future to fund its operations and to repay debt. There is no guarantee that iCar will be able to access debt or equity financing on commercially acceptable terms or at all. If iCar requires additional debt or equity</p>



Risk	Potential impacts
	capital in the future but is unable to obtain such funding on commercially acceptable terms or at all, this may have an adverse impact on its operations, ability to implement its growth strategies and financial performance. Any equity raising is expected to be dilutive to existing shareholders who do not participate in the equity raising.
<b>Product Delays</b>	iCar depends on the development of new products and technologies. If these are delayed or not conceived in a timely manner this may lead to slower delivery of innovation to the market by iCar. The level of consumer and customer interactions will then be impacted and competitors may be given the opportunity to more effectively compete against iCar.
<b>Trademarks</b>	iCar is in the process of applying for trademarks in Malaysia, Singapore, Thailand and Indonesia. This is a lengthy process and in the event that the trademarks are not granted, iCar may be impacted if competitors choose to use what would otherwise be trademarked intellectual property to the detriment of iCar.
<b>Foreign country risk</b>	iCar conducts business in Malaysia, Indonesia and Thailand and there exists risks inherent in doing business in these countries. These risks include differing levels of adoption of online technologies, changes in regulatory requirements, taxation, tariffs, customs, duties and other trade barriers, difficulties in staffing and managing foreign operations and monetary exchange rates, longer payment cycles, problems in collecting amounts receivable, political instability, expropriation, nationalisation, natural disasters and war.
<b>Foreign exchange</b>	iCar is funded and reports in Australian dollars but revenues are generated, and costs are largely incurred, in Malaysian Ringgit, Indonesian Rupiah and Thai Baht. Volatility in these three Asian currencies relative to the Australian dollar can have a positive or negative impact on iCar's financial performance and financial position on an ongoing basis. For example, a steep decline in the value of the Australian dollar against one or more of these three Asian currencies, could mean that insufficient funds are available to adequately fund the business as is currently forecast, result in iCar's financial underperformance and a deterioration in its financial position.
<b>Investments</b>	As part of its business strategy, iCar may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to iCar's businesses. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, technologies and/or products, such as integrating cultures and systems of operation, relocation of operations, short term strain on working

## 7. Risks (continued)

Risk	Potential impacts
	capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.
<b>Cash flow and liquidity</b>	<p>Liquidity risk is the risk there will be insufficient funds available to meet iCar's financial commitments as and when they fall due, and the risk of unforeseen events which may curtail cash inflows.</p> <p>Whilst iCar measures and monitors its actual and forecasted liquidity on an ongoing basis via annual budgeting and monthly revolving forecast processes, iCar may still be subject to liquidity risk.</p>
<b>Liquidity of iCar Shares</b>	iCar's relatively tightly held register may cause, or contribute to, limited liquidity in the market for iCar Shares. This could affect the prevailing market price at which iCar Shareholders are able to sell their iCar Shares in the future.

### 7.4 Risks relating to the Scheme

The implementation of the Scheme is subject to certain conditions precedent, which are summarised in section 4.3 and are set out in full in clause 3.1 of the Scheme Implementation Deed.

iCar will only apply to the Court for orders approving the Scheme if each of the conditions precedent (except Court approval of the Scheme) is satisfied or waived (if capable of waiver) prior to 8.00am (Sydney time) on the Second Court Date. As such, failure to satisfy or waive, or a delay in satisfying or waiving, any of the conditions precedent may delay or prevent implementation of the Scheme.

There is the risk that the Independent iCar Shareholders do not approve the Scheme by the requisite statutory majorities. There is also a risk that the Court may not, at the final court hearing, approve the Scheme, or may only be willing to approve the Scheme subject to conditions that iCar and/or Carsome (as applicable) are not prepared to accept. There is also a risk that some or all of the aspects of the Independent iCar Shareholder and Court approvals required for the Scheme to proceed may be delayed.

If the Scheme is implemented, Scheme Shareholders will cease to hold iCar Shares and will forgo any benefits that may result from being an iCar Shareholder.

This will mean that Scheme Shareholders will not participate in the future performance of iCar or retain any exposure to iCar's business or assets or have the potential to share in the value that could be generated by iCar in the future. However, there is no guarantee as to iCar's future performance, or its future share price performance, as is the case with all investments.

Independent iCar Shareholders may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profit to that of iCar, or may incur transaction costs in undertaking any new investment.

## 8. Tax implications

### 8.1 Introduction

The following is a general description of the Australian tax consequences of the Scheme (assuming it becomes Effective) for Independent iCar Shareholders who participate in the Scheme. It does not constitute tax advice and should not be relied upon as such.

The description is based upon the Australian law and administrative practice in effect at the date of this Scheme Booklet, but is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of an Independent iCar Shareholder. Independent iCar Shareholders should seek independent professional advice in relation to their own particular circumstances.

The comments set out below are relevant only to those Independent iCar Shareholders who hold their iCar Shares on capital account. The description does not address the Australian tax consequences for Independent iCar Shareholders who:

- hold their iCar Shares for the purposes of speculation or a business of dealing in securities (eg as trading stock);
- acquired their iCar Shares pursuant to an employee share, option or rights plan;
- are subject to the taxation of financial arrangements rules in Division 230 of *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their iCar Shares; or
- are non-residents of Australia who hold their iCar Shares in carrying on a business through a permanent establishment in Australia.

Independent iCar Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law.

### 8.2 Australian resident shareholders

#### (a) Capital Gains Tax (CGT)

Under the Scheme, Scheme Shareholders will dispose of their iCar Shares to Carsome. This disposal will constitute a CGT event A1 for Australian CGT purposes for Scheme Shareholders.

The time of the CGT event will be the date the Scheme is implemented.

#### (b) Calculation of capital gain or capital loss

Scheme Shareholders may make a capital gain on the disposal of iCar Shares to the extent that the capital proceeds from the disposal of the iCar Shares are more than the cost base of those iCar Shares. Conversely, Scheme Shareholders will make a capital loss to the extent that the capital proceeds are less than their reduced cost base of those iCar Shares.

##### (1) Cost base

The cost base of the iCar Shares generally includes the cost of acquisition and certain non-deductible incidental costs of their acquisition and disposal. The reduced cost base of the iCar Shares is usually determined in a similar, but not identical, manner.

## 8. Tax implications (continued)

### (2) Capital proceeds

The capital proceeds received in respect of the disposal of each iCar Share should be \$0.53 per iCar Share, being the amount of the Scheme Consideration.

### (c) CGT discount

Australian resident individuals, complying superannuation entities or trusts that have held iCar Shares for at least 12 months may be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of iCar Shares by 50% in the case of individuals and trusts or by 33⅓% for complying superannuation entities. The CGT discount will not be available to a Scheme Shareholder that is a company. For Australian resident trusts, the ultimate availability of the discount for beneficiaries of the trusts will depend on the particular circumstances of the beneficiaries.

Capital gains (prior to any CGT discount) and capital losses of a taxpayer in an income year are aggregated to determine whether there is a net capital gain. Any net capital gain is included in assessable income and is subject to income tax. Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains (subject to satisfaction of loss recoupment tests for companies).

Scheme Shareholders who have been a foreign resident for tax purposes for part of their ownership will generally have their discount percentage reduced to take into account the period of foreign residency. If you think these modified CGT discount rules may apply to you, you should seek professional accounting or legal advice.

## 8.3 Non-resident shareholders

For a Scheme Shareholder who:

- is not a resident of Australia for Australian tax purposes and was not previously an Australian resident who made an election to disregard a capital gain or capital loss in respect of their iCar Shares when they ceased to be an Australian tax resident; and
- does not hold their iCar Shares in carrying on a business through a permanent establishment in Australia,

then the disposal of iCar Shares will generally only result in Australian CGT implications if the shares constitute taxable Australian property (as defined in the income tax legislation). That would require both of the following conditions to be satisfied:

- that a Scheme Shareholder together with its associates held 10% or more of the iCar Shares at the time of the CGT event or for any continuous 12 month period within 2 years preceding the CGT event (referred to as a 'non-portfolio interest'); and
- more than 50% of iCar's value is due to direct or indirect interests in Australian real property (as defined in the income tax legislation).

Given the make-up of iCar's assets, iCar does not consider that iCar Shares constitute 'taxable Australian property'.

If you are a non-resident who holds a 'non-portfolio interest' in iCar or holds your iCar Shares in carrying on a business through a permanent establishment in Australia, you should obtain independent advice as to the tax implications of sale, and whether any protection will be available under a relevant double tax treaty.

If you are a non-resident individual Scheme Shareholder who has previously been a resident of Australia for tax purposes and chose to disregard a capital gain or loss in respect of your iCar Shares on ceasing to be a resident, you will be subject to Australian CGT consequences on disposal of the iCar Shares as set out in section 8.2.



As noted above, Scheme Shareholders who have been a foreign resident for tax purposes for part of their ownership will generally have their discount percentage reduced to take into account the period of foreign residency.

#### **8.4 Foreign Resident Capital Gains Withholding**

The foreign resident capital gains withholding regime may impose a 12.5% “withholding” obligation (calculated by reference to the Scheme Consideration) on Carsome if:

- Carsome considers, or reasonably believes that a Scheme Shareholder is a foreign resident; and
- the Scheme Shareholder satisfies the “taxable Australian property” test referred to above.

As noted above, given the make-up of iCar’s assets, iCar does not consider that iCar Shares constitute ‘taxable Australian property’.

#### **8.5 Goods and services tax (GST)**

Scheme Shareholders should not be liable to GST in respect of a disposal of those iCar Shares.

Scheme Shareholders may be charged GST on costs (such as adviser fees relating to their participation in the Scheme) that relate to the Scheme. Scheme Shareholders may be entitled to input tax credits or reduced input tax credits for such costs, but should seek independent advice in relation to their individual circumstances.

## 9. Additional information

### 9.1 Interests of iCar Directors

As at the Last Practicable Date, the iCar Directors have the following Relevant Interests in iCar Shares:

Director	Number of iCar Shares
Georg Chmiel	2,290,629 <sup>19</sup>
Hamish Stone	10,003,589 <sup>20</sup>
Patrick Grove	42,905,042 <sup>21</sup>
Lucas Elliott	42,905,042 <sup>22</sup>
Syed Khalil Ibrahim	3,115,303 <sup>23</sup>
Peter Everingham	553,491 <sup>24</sup>
Richard Kuo	656,083 <sup>25</sup>

Furthermore, as at the Last Practicable Date:

- Georg Chmiel holds 1,000,000 iCar Options, the issue of which was approved by iCar Shareholders at the Annual General Meeting in May 2017. The iCar Options vested on 31 December 2019 and will expire on 31 December 2021; and
- Hamish Stone holds entitlements to be issued (upon vesting) an aggregate of 1,207,483 iCar Shares pursuant to the LTVC Scheme and LTI Plan for 2019, subject to shareholder approval.

<sup>19</sup> 247,240 iCar Shares indirectly held through Chmiel Super Pty ATF Chmiel Super Fund and 2,043,389 iCar Shares directly held.

<sup>20</sup> 7,088,295 iCar Shares indirectly held through JP Morgan Nominees Australia and 2,915,294 iCar Shares indirectly held by Melanie Stone.

<sup>21</sup> Indirectly held through Catcha Sub. Carsome and Catcha have entered into the Joint Bid Agreement under which it is proposed that Carsome will acquire these 42,905,042 iCar Shares, subject to the Scheme becoming Effective. Patrick Grove previously held a Relevant Interest in 132,361,490 iCar Shares. However, on 31 August 2021, Carsome acquired 89,456,448 iCar Shares from Catcha and Catcha Sub pursuant to the Carsome/Catcha Sale Agreement, leaving Patrick Grove with a Relevant Interest in 42,905,042 iCar Shares. For further details, see sections 6.5 and 9.8.

<sup>22</sup> Indirectly held through Catcha Sub. Carsome and Catcha have entered into the Joint Bid Agreement under which it is proposed that Carsome will acquire these 42,905,042 iCar Shares, subject to the Scheme becoming Effective. Lucas Elliott previously held a Relevant Interest in 132,361,490 iCar Shares. However, on 31 August 2021, Carsome acquired 89,456,448 iCar Shares from Catcha and Catcha Sub pursuant to the Carsome/Catcha Sale Agreement, leaving Lucas Elliott with a Relevant Interest in 42,905,042 iCar Shares. For further details, see sections 6.5 and 9.8.

<sup>23</sup> Directly held.

<sup>24</sup> Directly held.

<sup>25</sup> Directly held.

In addition, the iCar Board has approved, but not yet granted, entitlements to Hamish Stone to be issued (upon vesting), an aggregate of 1,290,724 iCar Shares pursuant to the LTI Plan for 2020, subject to shareholder approval.

Georg Chmiel and Hamish Stone have each entered into a tripartite deed with iCar and Carsome, under which, subject to the Scheme becoming Effective (and assuming there is no increase to the Scheme Consideration, which would result in a corresponding increase in the cash amounts payable):

- Georg Chmiel is entitled to a cash amount of \$130,000, payable by Carsome on the Implementation Date, in exchange for deciding not to exercise his 1,000,000 iCar Options; and
- Hamish Stone is entitled to a cash amount of \$1,324,050, payable by Carsome on the Implementation Date (i) in exchange for agreeing to the cancellation and extinguishment of his entitlements to be issued (upon vesting and subject to shareholder approval) 1,207,483 iCar Shares pursuant to the LTVC Scheme and LTI Plan for 2019, and (ii) in lieu of the grant of his entitlements to be issued (upon vesting and subject to shareholder approval) 1,290,724 iCar Shares pursuant to the LTI Plan for 2020 (which have been approved by the iCar Board but not yet granted).

Hamish Stone is also eligible to participate in the LTI Plan for 2021 (noting that the iCar Board will make a determination on the grant of any Future 2021 LTI Performance Rights in the usual course in early 2022).

Please refer to section 9.2 for further details.

## 9.2 iCar incentive and equity arrangements

### (a) Overview of arrangements

iCar operates plans under which iCar Performance Rights are offered to executives and senior employees (**Participants**) as an incentive and reward. In addition, iCar previously operated an options plan under which Participants were awarded iCar Options.

The LTVC Scheme was established to reward the value creation developed by the executives in driving growth in the business. The existing LTVC Scheme is based on exceeding a specified share price hurdle of \$0.30 in any of the 3 observation periods (2018, 2019 and 2020). The entitlement is paid in iCar Shares and the number of entitlements is based on the VWAP of the iCar Group's share price exceeding the baseline share price of \$0.18 in the December of the relevant observation period. Each executive receives a share of the value created, which is calculated as the excess of the share price hurdle to the baseline share price multiplied by the number of shares on issue at the end of the relevant observation period.

The LTI Plan is part of the iCar Group's remuneration strategy and is designed to align the interests of management and iCar Shareholders and assist the iCar Group in the attraction, motivation and retention of executives. In particular, the LTI Plan is designed to provide relevant executives with an incentive for future performance and encouraging those executives to remain with the iCar Group. Under the LTI Plan, entitlements are granted to Participants depending on the extent to which specific targets set at the beginning of the LTI Plan are met. The targets relate to the earnings of the company, achievement of other key performance indicators aligned to the individual's specific business function and staff remaining in employment for 3 years.

As at the Last Practicable Date, iCar had the following iCar Options on issue and iCar Performance Rights granted:

- 1,000,000 iCar Options;

## 9. Additional information (continued)

- entitlements to be issued (upon vesting), in aggregate, 489,546 iCar Shares pursuant to the LTVC Scheme (**LTVC Performance Rights**); and
- entitlements to be issued (upon vesting), in aggregate, 1,135,733 iCar Shares pursuant to the LTI Plan for 2019 (**2019 LTI Performance Rights**).

In addition, the iCar Board has approved, but not yet granted, entitlements to be issued (upon vesting), in aggregate, 2,365,462 iCar Shares pursuant to the LTI Plan for 2020 (**Approved 2020 LTI Performance Rights**).

As noted in section 9.1, the issue of iCar Shares pursuant to entitlements held by Hamish Stone pursuant to the LTVC Scheme and LTI Plan for 2019, or approved to be granted to Hamish Stone pursuant to the LTI Plan for 2020, are subject to shareholder approval.

The iCar Board has not yet determined the entitlements to be granted pursuant to the LTI Plan for 2021 (**Future 2021 LTI Performance Rights**).<sup>26</sup>

### (b) Treatment in connection with the Scheme

Under the Scheme Implementation Deed, iCar and Carsome agree that they will take any such action agreed in writing between them to ensure that, by no later than the Implementation Date, there are no outstanding iCar Options and no outstanding iCar Performance Rights (being the LTVC Performance Rights, 2019 LTI Performance Rights and Approved 2020 Performance Rights).

This section 9.2(b) sets out details regarding how the iCar Options, iCar Performance Rights and Future 2021 LTI Performance Rights will be treated in connection with the Scheme, as agreed between iCar and Carsome.

#### *Treatment of iCar Options in connection with the Scheme*

iCar, Carsome and Georg Chmiel (who holds the iCar Options, as disclosed in section 9.1) have entered into a tripartite deed under which:

- in exchange for Georg Chmiel deciding not to exercise the iCar Options, Carsome has agreed to pay Georg Chmiel cash consideration on the Implementation Date for the iCar Options in the amount of \$0.13 for each iCar Option, being the equivalent of the Scheme Consideration minus the exercise price of \$0.40 for each iCar Option (but if the Scheme Consideration is increased, the cash consideration to be paid for each iCar Option would be increased by a corresponding amount); and
- on the Implementation Date, the iCar Options will be irrevocably cancelled and extinguished,

in each case, subject to the Scheme becoming Effective.

In accordance with the above, subject to the Scheme becoming Effective (and assuming there is no increase to the Scheme Consideration, which would result in a corresponding increase in the cash amounts payable), Georg Chmiel (whose interests are disclosed in section 9.1) is entitled to a cash amount of \$130,000, payable by Carsome on the Implementation Date.

The tripartite deed also provides that Georg Chmiel may exercise the iCar Options on or before the expiry date of the iCar Options of 31 December 2021, provided that, if this occurs, the tripartite deed will automatically terminate and be of no further force or effect.

#### *Treatment of iCar Performance Rights in connection with the Scheme*

Each Participant who has been granted LTVC Performance Rights or 2019 LTI Performance Rights, or has been approved to be granted Approved 2020 LTI

<sup>26</sup> See section 9.2(b) for details of the proposed treatment of the LTI Plan for 2021, subject to the Scheme becoming Effective.



Performance Rights, has entered into a tripartite deed with iCar and Carsome. The aggregate effect of the deeds are as follows:

- in exchange for Participants agreeing to the cancellation and extinguishment of their LTVC Performance Rights and 2019 LTI Performance Rights, and in lieu of iCar granting the Approved 2020 LTI Performance Rights, Carsome has agreed to pay cash consideration on the Implementation Date for the LTVC Performance Rights, 2019 LTI Performance Rights and Approved 2020 LTI Performance Rights in the amount of \$0.53 for each iCar Share entitled to be issued pursuant to the LTVC Performance Rights, 2019 LTI Performance Rights and Approved 2020 LTI Performance Rights (but if the Scheme Consideration is increased, the cash consideration to be paid for each iCar Share entitled to be issued would be increased by a corresponding amount);
- on the Implementation Date, the LTVC Performance Rights and 2019 LTI Performance Rights will be irrevocably cancelled and extinguished; and
- the Approved 2020 LTI Performance Rights will not be granted,

in each case, subject to the Scheme becoming Effective.

Under the terms of the tripartite deeds, each Participant also agrees not to transfer, exercise, dispose of or otherwise deal with any of LTVC Performance Rights or 2019 LTI Performance Rights (as applicable).

In accordance with the above, subject to the Scheme becoming Effective (and assuming there is no increase to the Scheme Consideration, which would result in a corresponding increase in the cash amounts payable), Hamish Stone (whose interests are disclosed in section 9.1) is entitled to a cash amount of \$1,324,050, payable by Carsome on the Implementation Date.

#### *Treatment of the Future 2021 LTI Performance Rights*

iCar and Carsome have agreed to a proposal whereby the iCar Board will make a determination on the grant of the Future 2021 LTI Performance Rights in the usual course in early 2022. Under the proposal, iCar will, in respect of any entitlements to be granted Future 2021 LTI Performance Rights that would be due to vest in February 2022 or April 2022, and subject to the Scheme becoming Effective, pay cash consideration in the amount of \$0.53 for each iCar Share entitled to be issued (but if the Scheme Consideration is increased, the cash consideration to be paid for each iCar Share entitled to be issued would be increased by a corresponding amount). It is proposed that such payments will be made after implementation of the Scheme as part of the iCar February 2022 and April 2022 payroll payments (as applicable). Hamish Stone would be eligible to participate in the LTI Plan for 2021.

iCar and Carsome have also agreed that, in respect of any individuals who the iCar Board determines would be entitled to a grant of Future 2021 LTI Performance Rights due to vest after April 2022, such grants will not be made by iCar and those individuals will be offered the opportunity by Carsome to participate in Carsome's internal bonus scheme (subject to the Scheme becoming Effective and those individuals remaining employed with iCar).

Carsome has not made any final determinations as to the structure or entitlements that will be offered to those individuals under the bonus scheme but Carsome has committed to iCar that those individuals would not be in a worse position on an equivalent cash basis under Carsome's internal bonus scheme than they would have been if they had been granted the relevant Future 2021 LTI Performance Rights.

## 9. Additional information (continued)

### 9.3 Fixed remuneration of the iCar Directors for 2021 and 2022

#### (a) Overview of arrangements

iCar is obliged to pay any outstanding remuneration to iCar Directors in respect of the period prior to implementation of the Scheme, in accordance with iCar's remuneration arrangements in the ordinary course.

Prior to entry into the Scheme Implementation Deed, the iCar Board determined the amount of remuneration payable to each iCar Director for the full year of 2021 and the portion of 2022 prior to implementation of the Scheme, based on an assumed implementation date in February 2022. It was determined that for both 2021 and the portion of 2022 prior to implementation of the Scheme, the remuneration of the iCar Directors would be paid both by the issue of iCar Shares and in cash, in accordance with iCar's remuneration arrangements in the ordinary course.

In respect of the share component of remuneration, the following number of shares were determined to be payable to each iCar Director:

#### *2021 full year*

iCar Director	Number of shares in iCar
Georg Johann Chmiel	266,667
Patrick Grove	66,667
Lucas Robert Elliott	66,667
Syed Khalil Ibrahim	66,667
Peter Everingham	66,667
Richard Kuo	77,778

#### *2022 prior to implementation of the Scheme (based on an assumed implementation date in February 2022)*

iCar Director	Number of shares in iCar
Georg Johann Chmiel	39,216
Patrick Grove	9,804
Lucas Robert Elliott	9,804
Syed Khalil Ibrahim	9,804
Peter Everingham	9,804

iCar Director	Number of shares in iCar
Richard Kuo	11,438

**(b) Impact of the Scheme on ordinary remuneration arrangements**

Under the Scheme Implementation Deed, iCar and Carsome agreed that they would take any such action agreed in writing between them to ensure that, by no later than the Implementation Date, iCar's obligations to pay any outstanding remuneration to the iCar Directors are satisfied.

In this regard, iCar and Carsome have agreed that, in lieu of iCar issuing the iCar Shares to which each iCar Director is entitled as set out in section 9.3(a), iCar will, on the Implementation Date, pay cash consideration to each iCar Director in the amount of \$0.53 for each iCar Share entitled to be issued (but if the Scheme Consideration is increased, the cash consideration to be paid for each iCar Share entitled to be issued would be increased by a corresponding amount) and the amount payable for the portion of 2022 prior to implementation of the Scheme will not change regardless of the actual date of implementation. On this basis (and assuming there is no increase to the Scheme Consideration, which would result in a corresponding increase in the cash amounts payable), each iCar Director is entitled to the following payments on the Implementation Date:

iCar Director	Amount
Georg Johann Chmiel	\$162,118
Patrick Grove	\$40,530
Lucas Robert Elliott	\$40,530
Syed Khalil Ibrahim	\$40,530
Peter Everingham	\$40,530
Richard Kuo	\$47,284

## 9.4 Other benefits and agreements

**(a) Interests of iCar Directors in Carsome securities and Catcha securities**

As at the Last Practicable Date, no iCar Director had a Relevant Interest in any securities in Carsome other than as follows:

iCar Director	Number of Carsome shares	Percentage of Carsome share capital	Percentage of voting rights
Lucas Elliott	2,528,202 preference D2 redeemable	Approximately 5.3%	Approximately 5.3%

## 9. Additional information (continued)

iCar Director	Number of Carsome shares	Percentage of Carsome share capital	Percentage of voting rights
	convertible preference shares*		
Patrick Grove	2,528,202 preference D2 redeemable convertible preference shares*	Approximately 5.3%	Approximately 5.3%
Syed Khalil Ibrahim	165,005 preference D2 redeemable convertible preference shares**	Approximately 0.3%	Approximately 0.3%

\* held through Catcha Investments Limited and Catcha Sub and includes the Carsome Consideration Shares (being 1,703,174 preference D2 redeemable convertible preference shares in the capital of Carsome issued pursuant to the Carsome/Catcha Sale Agreement). Lucas Elliott and Patrick Grove are together the sole shareholders of Catcha Investment Limited and Catcha Sub is a subsidiary of Catcha. Furthermore, it is noted that Carsome and Catcha have agreed that the Catcha iCar Shares proposed to be acquired from Catcha Sub by Carsome under the Joint Bid Agreement will be acquired in consideration for the issue of 794,268 preference D2 redeemable convertible preference shares in the capital of Carsome. Further details are set out in section 6.5.

\*\* held indirectly through a fund in which Syed Khalil Ibrahim has an investment.

As at the Last Practicable Date, no iCar Director had a Relevant Interest in any securities in Catcha other than as follows:

iCar Director	Number of Catcha shares
Lucas Elliott	717,363 ordinary shares and 1 preference share
Patrick Grove	2,869,457 ordinary shares and 1 preference share

Lucas Elliott and Patrick Grove are together the sole shareholders of Catcha.

As at the Last Practicable Date, other than as disclosed above in relation to the Relevant Interest of each of Lucas Elliott and Patrick Grove in 1,703,174 preference D2 redeemable convertible preference shares in Carsome and the Relevant Interest of Syed Khalil Ibrahim in 165,005 preference D2 redeemable convertible preference shares in Carsome, no iCar Director had acquired or disposed of a Relevant Interest in any securities in Carsome or any securities in Catcha during the 4 months before the date of this Scheme Booklet.

### (b) Interests of iCar Directors in contracts with Carsome Group or Catcha Group

No iCar Director has any interest in any contract entered into by a Carsome Group Member, a Catcha Group Member, or any Related Body Corporate of either a Carsome Group Member or a Catcha Group Member, other than:

- in respect of Lucas Elliott and Patrick Grove in relation to:
    - the Carsome/Catcha Transaction (for more details, see sections 6.5 and 9.8); and
    - the Catcha Loan Agreement and the Carsome Loan Agreement (for more details, see sections 9.5 and 9.6),
- by reason of their Relevant Interests in Catcha;



- in respect of Lucas Elliot and Patrick Grove by reason of their positions as directors of Catcha; and
- in respect of Patrick Grove by reason of his position as a nominee director of Catcha on the Carsome Board.

**(c) Benefits in connection with retirement from office**

There is no payment or other benefit that is proposed to be made or given to any director, secretary or senior manager of iCar (or any of its Related Bodies Corporate) as compensation for the loss of, or consideration for or in connection with his or her retirement from, office in iCar (or any of its Related Bodies Corporate) in connection with, or conditional on, the outcome of the Scheme or the Carsome/Catcha Transaction.

**(d) Benefits from Carsome Group or Catcha Group**

Other than as disclosed in sections 9.1 to 9.3 and 9.8, no iCar Director has agreed to receive, or is entitled to receive, any benefit from any Carsome Group Member or Catcha Group Member, which is conditional on, or is related to, the Scheme or the Carsome/Catcha Transaction.

**(e) Agreements connected with or conditional on the Scheme**

Other than as disclosed in sections 9.1 to 9.3 and 9.8, there are no agreements or arrangements made between any iCar Director and any other person in connection with, or conditional on, the outcome of the Scheme or the Carsome/Catcha Transaction.

## 9.5 Catcha Loan Agreement

Pursuant to a loan agreement between iCar Singapore (a wholly-owned Subsidiary of iCar) (as borrower) and Catcha (as lender) dated on or around 15 November 2017, as amended (**Catcha Loan Agreement**), Catcha agreed to lend a total of \$15 million in two tranches to iCar Singapore ('Tranche A' with a limit of \$5 million and 'Tranche B' with a limit of \$10 million), in order to fund the general working capital purposes of the iCar Group and any other purpose that Catcha approves.

The Catcha Loan Agreement is secured by a first ranking security over all of the assets of the iCar Group in favour of Catcha. 'Tranche A' of the Catcha Loan Agreement is interest free whereas an interest rate of 12% per annum applies to amounts outstanding under 'Tranche B' of the Catcha Loan Agreement.

The Catcha Loan Agreement contains customary terms for this type of financing arrangement. The representations, warranties, undertakings and events of default applicable to the Catcha Loan Agreement include, among others, restrictions on iCar Singapore and iCar creating encumbrances, disposing of its assets, incurring financial indebtedness, providing financial accommodation or giving guarantees in respect of financial accommodation and changing its business. These restrictions are subject to certain specified carve-outs and exceptions. iCar Singapore is permitted to make distributions provided that no default is subsisting under the Catcha Loan Agreement and no default will occur as a result of such distributions being made.

Under the Catcha Loan Agreement, if an 'Event of Default' occurs (which includes, among other things, a change in control of iCar), Catcha may declare that the outstanding amounts under the Catcha Loan Agreement are immediately due and repayable.

The Catcha Loan Agreement includes an 'equity cure' provision which enables iCar Singapore to cure an 'Event of Default' by notifying Catcha within 10 days of Catcha giving a notice to iCar Singapore requiring iCar Singapore to cure the relevant 'Event of Default' that is subsisting, and then, within 3 months of Catcha giving a notice to iCar Singapore requiring iCar Singapore to cure the relevant 'Event of Default' that is

## 9. Additional information (continued)

subsisting, procuring that additional equity is contributed to iCar Singapore and repaying the outstanding amounts under the Catcha Loan Agreement in full.

The date on which outstanding amounts under the Catcha Loan Agreement must be repaid is 30 June 2023. As at the Last Practicable Date, iCar Singapore had drawn down on the full \$5 million available under 'Tranche A' of the Catcha Loan Agreement. The \$1 million that had been drawn down under 'Tranche B' of the Catcha Loan Agreement was repaid out of funds loaned under the Carsome Loan Agreement and, as at the Last Practicable Date, the remaining \$9 million 'Tranche B' facility under the Catcha Loan Agreement remained undrawn and available for drawing.

### 9.6 Carsome Loan Agreement

iCar Singapore (as borrower) has entered into a loan facility agreement with Carsome (as lender) (**Carsome Loan Agreement**), under which Carsome will lend iCar Singapore US\$12 million to fund:

- (a) the payment of costs, fees or expenses incurred by the iCar Group in connection with the acquisition of iCar by Carsome or as expressly contemplated in the Scheme Implementation Deed (including any fees payable to Goldman Sachs in connection with the acquisition of iCar by Carsome, which must be deposited in escrow in the relevant trust account 2 days prior the Second Court Date);
- (b) the repayment or prepayment of amounts outstanding under 'Tranche B' of the Catcha Loan Agreement (which may be repaid or prepaid at any time) and the repayment or prepayment of amounts outstanding under 'Tranche A' of the Catcha Loan Agreement (which may only be repaid or prepaid after the Effective Date but within 30 days of the Implementation Date);
- (c) general working capital purposes of the iCar Group; and
- (d) any other purpose that Carsome approves.

The Carsome Loan Agreement is unsecured. An interest rate of 6% per annum applies to amounts outstanding under the Carsome Loan Agreement.

The Carsome Loan Agreement contains customary terms for this type of financing arrangement. The representations, warranties, undertakings and events of default applicable to the Carsome Loan Agreement include, among others, restrictions on iCar Singapore creating encumbrances, disposing of its assets, incurring financial indebtedness, providing financial accommodation or giving guarantees in respect of financial accommodation and changing its business. These restrictions are subject to certain specified carve-outs and exceptions. iCar Singapore is permitted to make distributions provided that no default is subsisting under the Carsome Loan Agreement and no default will occur as a result of such distributions being made.

Under the Carsome Loan Agreement, if an 'Event of Default' occurs (which includes, among other things, a change in control of iCar Singapore), Carsome may declare that the outstanding amounts under the Carsome Loan Agreement are immediately due and repayable. In addition, under the Carsome Loan Agreement, if the Effective Date for the Scheme has not occurred, or will not occur, on or before the End Date, or if the Scheme Implementation Deed is terminated, Carsome may, by written notice to iCar Singapore, immediately cancel any undrawn commitment under the Carsome Loan Agreement and require iCar Singapore to repay to Carsome outstanding amounts under the Carsome Loan Agreement by the date that is 6 months after the date of receipt of the written notice.

The Carsome Loan Agreement includes an 'equity cure' provision which enables iCar Singapore to cure an 'Event of Default' by notifying Carsome within 10 days of Carsome giving a notice to iCar Singapore requiring iCar Singapore to cure the relevant 'Event of

Default' that is subsisting, and then, within 3 months of Carsome giving a notice to iCar Singapore requiring iCar Singapore to cure the relevant 'Event of Default' that is subsisting, procuring that additional equity is contributed to iCar Singapore and repaying the outstanding money under the Carsome Loan Agreement in full.

The date on which outstanding amounts under the Carsome Loan Agreement must be repaid is 23 November 2023. As at the Last Practicable Date, US\$1.5 million (approximately \$2.11 million as at the Last Practicable Date) had been drawn down and US\$10.5 million (approximately \$14.79 million as at the Last Practicable Date) remained undrawn and available for drawing under the Carsome Loan Agreement.<sup>27</sup>

Under the Catcha Loan Agreement (discussed in section 9.5), iCar Singapore must not and must procure that iCar does not incur any 'Financial Indebtedness' other than 'Permitted Financial Indebtedness' (as each term is defined in the Catcha Loan Agreement). 'Permitted Financial Indebtedness' includes any Financial Indebtedness approved by the Catcha. Accordingly, in order for iCar to enter into the Carsome Loan Agreement, Catcha's consent is required. Catcha provided its consent on 18 November 2021.

## 9.7 Scheme Implementation Deed

### (a) Introduction

On 16 October 2021, iCar and Carsome entered into the Scheme Implementation Deed, which governs the conduct of the Scheme.

A summary of the key terms of the Scheme Implementation Deed is set out below. A full copy of the Scheme Implementation Deed was released to ASX on 18 October 2021 and can be obtained from [www2.asx.com.au](http://www2.asx.com.au).

### (b) Conditions precedent

The conditions precedent are outlined in section 4.3.

### (c) iCar Material Adverse Change (Clause 3.1(f) and Schedule 2)

The 'material adverse change' condition precedent will be triggered if an iCar Material Adverse Change occurs or becomes known to Carsome between (and including) the date of the Scheme Implementation Deed and 8:00am on the Second Court Date.

In summary, and subject to certain exceptions, an iCar Material Adverse Change includes an event (or series of like events) which has had or would be reasonably likely to have the effect of:

- diminishing the value of the consolidated revenue of the iCar Group by at least \$7,400,000 against what such consolidated revenue would otherwise reasonably have been expected to have been for the financial year of the iCar Group ending on 31 December 2021 or the financial year of the iCar Group ending on 31 December 2022; or
- increasing the consolidated operating expenses of the iCar Group by at least \$6,400,000 against what such consolidated operating expenses would otherwise have been expected to have been for the financial year of the iCar Group ending on 31 December 2021 or the financial year of the iCar Group ending on 31 December 2022.

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<sup>27</sup> This is based on an AUD:USD exchange rate of AUD1.00 = USD0.71 as at the Last Practicable Date.



## 9. Additional information (continued)

### (d) iCar IBC recommendation (Clause 5.6)

The Scheme Implementation Deed requires iCar to use its best endeavours to procure that the iCar IBC collectively, and the iCar IBC Members individually, do not adversely change, adversely qualify or withdraw their recommendation to vote in favour of the Scheme unless:

- the Independent Expert concludes that the Scheme is not in the best interests of Independent iCar Shareholders;
- iCar has received a Superior Proposal; or
- the change, qualification or withdrawal occurs because of a requirement or request by a court or Government Agency that one or more iCar IBC Members abstain from making, or change, qualify or withdraw, a recommendation,

and iCar has complied with its exclusivity obligations (see 9.5(g) for further detail).

### (e) Conduct of business (Clause 5.4)

In general terms, from the date of the Scheme Implementation Deed up to and including the Implementation Date, iCar must, and must cause each other iCar Group Member to, conduct its respective business and operations in the ordinary and usual course generally consistent with past practice.

In addition, iCar must also:

- not enter into new lines of business;
- promptly notify Carsome of any legal proceeding, claim or investigation which may be threatened or asserted or commenced;
- not do or fail to do anything that would or may result in the Scheme not being implemented;
- ensure that no 'iCar Prescribed Occurrence' occurs;
- use reasonable endeavours to ensure that no 'iCar Regulated Event' occurs;
- use reasonable endeavours to ensure that there is no occurrence with its reasonable control that would constitute an 'iCar Material Adverse Change';
- comply with all applicable Authorisations, law and regulations (including the Listing Rules);
- make reasonable efforts to preserve and maintain the value of the businesses and assets of the iCar Group, keep available the services of directors, officers and employees of each iCar Group Member, and maintain and preserve relationships with Government Agencies, customers, suppliers and others having business dealings with any iCar Group Member; and
- keep Carsome reasonably informed of material developments relating to the iCar Group.

However, iCar will be able to take any actions:

- Fairly Disclosed in the Disclosure Materials (provided the action is one which the iCar Group may, or could reasonably be expected to carry out between the date of the Scheme Implementation Deed and the Implementation Date), or in public documents in the 3 year period prior to the date of the Scheme Implementation Deed;
- agreed to in writing by Carsome or requested by Carsome in writing;
- required or permitted by law, regulations, a Government Agency, the Scheme Implementation Deed or the Scheme; or



- to reasonably and prudently respond to an emergency or disaster (including the outbreak, escalation or any impact of, or recovery from, COVID-19 or the COVID-19 Measures), changes in market conditions affecting the business and operations of iCar or an iCar Group Member to a material extent or regulatory or legislative changes affecting the business and operations of iCar or an iCar Group Member to a material extent, provided that, in each case, to the extent practicable and reasonable, iCar has consulted with Carsome in advance in respect of such action or inaction and takes into account (acting reasonably) any reasonable comments from Carsome.

**(f) Representations and warranties (Clause 6)**

The Scheme Implementation Deed contains customary representations and warranties given by each of iCar and Carsome to each other.

These representations and warranties are set out in Schedule 3 (in the case of Carsome) and Schedule 4 (in the case of iCar) of the Scheme Implementation Deed.

**(g) Exclusivity (Clause 10)**

The Scheme Implementation Deed contains the following customary exclusivity provisions:

- no shop;
- no talk (subject to a fiduciary out);
- no due diligence (subject to a fiduciary out);
- notification right for Carsome if iCar is approached with a Competing Proposal (with the requirement to include in the notification the identity of the person making the approach subject to a fiduciary out); and
- a 5-Business Day matching right period.

**(h) Reimbursement Fee (Clause 11)**

The Scheme Implementation Deed contains a customary Reimbursement Fee of \$1,700,000 (including GST) payable by iCar to Carsome, which will be triggered if:

- one or more iCar IBC Members withdraws, adversely changes or adversely qualifies his or her support of the Scheme or recommendation in relation to the Scheme, or publicly withdraws or adversely changes his or her statement that he or she intends to vote in favour of the Scheme, in each case unless:
  - the Independent Expert concludes that the Scheme is not in the best interests of Independent iCar Shareholders (except where that conclusion is due wholly or partly to the existence, announcement or publication of a Competing Proposal);
  - a Court or Government Agency requires a change to a recommendation; or
  - iCar is entitled to terminate the Scheme Implementation Deed for material breach or breach of a Carsome representation or warranty, and has given a termination notice to Carsome (except where the termination is due to failure of the condition precedent that the Independent Expert concludes that the Scheme is in the best interest of Independent iCar Shareholders, where the conclusion is due to the existence, announcement or publication of a Competing Proposal),
- iCar terminates the Scheme Implementation Deed due to failure of the condition precedent that the Independent Expert concludes that the Scheme is in the best interest of Independent iCar Shareholders, where the conclusion is due to the existence, announcement or publication of a Competing Proposal;
- a Competing Proposal is announced and, within 9 months of the date of such announcement, the Third Party completes the Competing Proposal or enters into an

## 9. Additional information (continued)

agreement, arrangement or understanding with iCar or the iCar Board which would require iCar to abandon, or otherwise fail to proceed with, the Transaction; or

- Carsome is entitled to terminate the Scheme Implementation Deed and has terminated the Scheme Implementation Deed having given a termination notice to iCar, for material breach or breach of a representation or warranty by iCar.

### (i) Reverse Reimbursement Fee (Clause 11)

The Scheme Implementation Deed contains a customary Reverse Reimbursement Fee of \$1,700,000 (including GST) payable by Carsome to iCar if iCar is entitled to terminate the Scheme Implementation Deed and has terminated the Scheme Implementation Deed having given a termination notice to Carsome, for material breach or breach of a representation or warranty by Carsome.

### (j) Termination (Clause 12)

Each of iCar and Carsome may terminate the Scheme Implementation Deed:

- if the other is in material breach of the Scheme Implementation Deed or has breached a representation or warranty that is material in the context of the Scheme taken as a whole, and the breach is not remedied within a specified period;
- if, any time before 8.00am on the Second Court Date, the Court or another Government Agency has taken any action permanently restraining or otherwise prohibiting or preventing the Transaction, or has refused to do anything necessary to permit the Transaction to be implemented by the End Date, and the action or refusal has become final and cannot be appealed or reviewed or the party, acting reasonably, believes that there is no realistic prospect of an appeal or review succeeding by the End Date;
- for failure of a condition precedent to the Scheme (as outlined in section 4.3);
- if the Scheme is not Effective by the End Date; or
- if Independent iCar Shareholders have not agreed to the Scheme at the Scheme Meeting by the Requisite Majorities and no notice (in the circumstances set out in the Scheme Implementation Deed) has been given.

## 9.8 Joint Bid Agreement

The information contained in this section 9.8 is the responsibility of Carsome. Neither iCar, nor any other iCar Group Member, nor any of their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of this information.

### (a) Introduction

On 11 July 2021 Carsome and Catcha entered into the Joint Bid Agreement, pursuant to which it is proposed that Carsome will acquire the Catcha iCar Shares held by Catcha Sub subject to the Scheme becoming Effective.

A summary of the key terms of the Joint Bid Agreement is set out below in this section 9.8. A full copy of the Joint Bid Agreement was released to the ASX on 13 July 2021 and can be obtained from the ASX website ([www2.asx.com.au](http://www2.asx.com.au)).

### (b) Sale and purchase (Clause 4)

Subject to the Scheme becoming Effective, Catcha has agreed to procure Catcha Sub to sell, and Carsome has agreed to purchase, immediately after the Scheme is implemented on the Implementation Date (or such other time agreed between Carsome and Catcha) the Catcha iCar Shares.

On 29 November 2021, Catcha and Carsome agreed that the consideration payable for the Catcha iCar Shares under the Joint Bid Agreement would be the issue of 794,268 preference D2 redeemable convertible preference shares in the capital of Carsome (**Additional Carsome Consideration Shares**). Further details in relation to the Additional Carsome Consideration Shares are set out in section 6.5.

**(c) Cooperation in relation to the Carsome/Catcha Transaction and the Scheme (Clause 3.1)**

Except to the extent otherwise agreed, Carsome and Catcha have agreed to and will procure their respective related entities will:

- co-operate in good faith in relation to certain aspects of the Scheme and Carsome/Catcha Transaction;
- keep each other informed on a timely basis of all developments and issues which may affect the progress, implementation or success of the Carsome/Catcha Transaction and Scheme;
- use their respective best endeavours to procure that iCar enters into a Scheme Implementation Deed as soon as reasonably practicable after the date of the Joint Bid Agreement; and
- subject to compliance with non-disclosure obligations and the preservation of legal privilege, provide all information reasonably necessary for the preparation of documents required to implement the Carsome/Catcha Transaction and the Scheme and to execute the Carsome/Catcha Transaction and the Scheme effectively.

**(d) Conduct of the Scheme (Clause 3.2)**

Carsome and Catcha agree that:

- any decision in relation to the Scheme must be made jointly by Catcha and Carsome, including negotiating or entering into any transaction documents, exercising any right held under, or taking any action in connection with, those transaction documents (including, without limitation, amending the terms of the Scheme or any Scheme Implementation Deed and waiving any conditions precedent);
- Carsome will provide the funding for the aggregate cash consideration to be paid under the Scheme; and
- Carsome will offer Catcha (or its nominee) the right to subscribe for shares in Carsome for the purpose of applying the subscription proceeds to partially fund the cash consideration to be provided by Carsome under the Carsome/Catcha Transaction.

**(e) Conduct in relation to the Joint Bid Relief (Clause 3.3)**

In relation to the Joint Bid Relief:

- Carsome and Catcha must, and Catcha has agreed to procure that Catcha Sub must, co-operate with each other, and take all steps reasonably required of them, to obtain Joint Bid Relief on terms and conditions acceptable to Carsome and Catcha (each acting reasonably);
- Carsome and Catcha have agreed to consult with each other in advance in relation to all communications with ASIC and keep each other informed of the progress of the application to ASIC in respect of the proposed Joint Bid Relief; and
- Carsome and Catcha have agreed to provide to each other copies of all documents provided to, and received from, ASIC in connection with the Joint Bid Relief.

## 9. Additional information (continued)

In relation to the Joint Bid Relief Instrument:

- to the extent any of the conditions in the Joint Bid Relief Instrument are expressed to apply to a party to the Joint Bid Agreement or Catcha Sub, that party must (or in the case of Catcha Sub, Catcha must procure that Catcha Sub must) take all actions necessary and within its control to comply with those conditions; and
- otherwise, Carsome and Catcha must not, and Catcha must procure that Catcha Sub does not, do anything or fail to do anything intended to prevent the satisfaction of, or that would be reasonably likely to have the effect of preventing the satisfaction of, or cause a breach of the conditions to the Joint Bid Relief Instrument.

### (f) **Exclusivity (Clause 5)**

For the period commencing on the date of the Joint Bid Agreement until termination of the agreement, Carsome and Catcha will, and Catcha will procure that Catcha Sub will, work exclusively with each other to approach iCar in relation to the Scheme and implement the Scheme. Carsome and Catcha also will not, and Catcha will procure that Catcha Sub does not:

- negotiate or enter into any other cooperation agreement, joint bid agreement or agreement or deed with similar effect, with any other person in connection with any transaction according to which any other person seeks to obtain an interest in iCar Shares by way of scheme of arrangement or takeover bid or otherwise; or
- solicit, invite, encourage or initiate any of the above.

Carsome and Catcha have each agreed to inform the other, and Catcha has agreed to procure that Catcha Sub informs Carsome, of any approach in relation to any actual, proposed or potential transaction according to which any other person seeks to obtain an interest in iCar Shares by way of scheme of arrangement or takeover bid or otherwise.

Additionally, subject to the terms of the Joint Bid Relief Instrument, Catcha must also ensure that Catcha Sub does not sell, transfer or dispose of any interest in the Catcha iCar Shares. Carsome and Catcha also must not, and must procure that their Related Bodies Corporate do not, acquire any further iCar Shares other than pursuant to the Scheme, the Joint Bid Agreement and the Carsome/Catcha Sale Agreement.

### (g) **Termination (Clause 7.2)**

The Joint Bid Agreement will terminate automatically and with immediate effect if:

- a party withdraws from the Joint Bid Agreement by providing written notice to the other party;
- any iCar Shares held by Carsome and Catcha have been acquired by a third party pursuant to the conditions of the Joint Bid Relief Instrument;
- the Scheme has not become Effective within 6 months after the date of the Scheme Implementation Deed; or
- 5 Business Days after the Scheme Implementation Deed is terminated.

### (h) **Warranties and undertakings (Clause 8)**

Carsome and Catcha have given mutual and customary warranties and undertakings as to due incorporation, capacity, authorisation, enforceability and no default.

Catcha has given customary warranties and undertakings to Carsome as to the title of the Catcha iCar Shares. Carsome has also given certain warranties and undertakings in connection with the issue of the Additional Carsome Consideration Shares.



## 9.9 Consents, disclosures and fees

### (a) Consents

This Scheme Booklet contains statements made by, or statements said to be based on statements made by:

- Carsome in respect of the Carsome Information only;
- Greenwoods & Herbert Smith Freehills in respect of section 8; and
- Lonergan Edwards & Associates Limited as the Independent Expert.

Each of those persons named above has consented to the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent at the date of this Scheme Booklet.

The following parties have given and have not, before the time of registration of this Scheme Booklet with ASIC, withdrawn their consent to be named in this Scheme Booklet in the form and context in which they are named:

- Goldman Sachs as financial adviser to iCar;
- Herbert Smith Freehills as legal adviser to iCar; and
- Boardroom as the iCar Share Registry.

### (b) Disclosures and responsibility

Each person named in section 9.9(a):

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than:
  - Carsome in respect of the Carsome Information only;
  - Greenwoods & Herbert Smith Freehills in respect of section 8; and
  - Lonergan Edwards & Associates Limited in relation to its Independent Expert's Report; and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this section 9.9(b).

### (c) Fees

The fees set out in this section 9.9(c) only relate to fees paid or payable by iCar in connection with the Transaction and the preparation of this Scheme Booklet.

If the Scheme is implemented, iCar expects to pay approximately \$8.0 million (excluding GST) in transaction costs and expenses, in aggregate. This includes advisory fees (including for iCar's financial and legal advisers), the Independent Expert's fees, ASIC fees, registry, printing and mailing costs and expenses associated with convening and holding the Scheme Meeting. Of this, approximately \$1.5 million (excluding GST) in transaction costs and expenses, in aggregate, will be incurred regardless of whether the Scheme is implemented (this figure excludes any Reimbursement Fee that may become payable by iCar to Carsome).

In summary, the engagement letter of Goldman Sachs (iCar's financial adviser) relevantly provides that, in the event of either a recommended scheme of arrangement or takeover

## 9. Additional information (continued)

offer, Goldman Sachs will become entitled to their transaction fee if the bidder (the **Acquirer**) acquires control of or a relevant interest in (free from any defeating conditions) more than 50% of the outstanding iCar Shares (which will be assessed by including any iCar Shares which the Acquirer already controls or has a relevant interest in, including any “pre-bid stake”). In a takeover offer scenario, the transaction fee (when payable) is calculated on the same basis as it is calculated in a scheme of arrangement scenario - that is, on the basis that 100% of the iCar Shares are acquired (even if less than 100% are acquired).

### 9.10 Intentions of iCar Directors

Under the Scheme Implementation Deed, if the Scheme becomes Effective, the existing iCar Board will be reconstituted on the Implementation Date.

Accordingly, it is not possible for the iCar Directors to provide a statement of their intentions regarding:

- the continuation of the business of iCar or how iCar’s existing business will be conducted;
- any major changes to be made to the business of iCar, including any deployment of the fixed assets of iCar; and
- the future employment of the present employees of iCar,

in each case, after the Scheme is implemented.

If the Scheme is implemented and the Carsome/Catcha Transaction completes, Carsome will own 100% of iCar Shares and will Control iCar. The iCar Directors understand that the intentions of Carsome are as set out in section 6.4.

### 9.11 Regulatory relief

#### (a) ASX waiver

iCar has applied for, and the ASX has granted, a waiver from ASX Listing Rule 6.23.2 to the extent necessary to permit the treatment of the iCar Options and iCar Performance Rights as set out in section 9.2.

#### (b) ASIC relief – paragraph 8302(d) of Part 3 of Schedule 8

- (1) Paragraph 8302(d) of Part 3 of Schedule 8 of the Corporations Regulations requires this Scheme Booklet to set out particulars of any payment or benefit proposed to be made or given to any director, secretary or executive officer of iCar or a Related Body Corporate (each a **Relevant Person**) as compensation for loss of office in iCar or a Related Body Corporate or as conditions for or in connection with his or her retirement from office in iCar or a Related Body Corporate.

ASIC has granted iCar relief from this requirement on the basis that iCar is not required to set out in this Scheme Booklet the particulars of any payments or benefits which may be made or given to a Relevant Person in relation to their loss of office, or retirement from office, unless:

- the Relevant Person will lose office or retire from office as a consequence of, or in connection with, the Scheme; or
- the amount of any payment or benefit which may be made to the Relevant Person upon their loss of office or retirement from office may be materially affected by the Scheme.

- (2) Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires this Scheme Booklet to set out whether, within the knowledge of the iCar Directors, the financial position of iCar has materially changed since the date of the last balance sheet laid before iCar Shareholders in accordance with sections 314 or 317 of the Corporations Act, being 31 December 2020. ASIC has granted iCar relief from this requirement so that this Scheme Booklet only need set out whether, within the knowledge of the iCar Directors, the financial position of iCar has materially changed since 30 June 2021 (being the last date of the period to which the financial statements for the half-year ended 30 June 2021 relate).

**(c) ASIC relief – section 606**

The information contained in this section 9.11(c) is the responsibility of Carsome. Neither iCar, nor any other iCar Group Member, nor any of their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of this information.

Section 606 of the Corporations Act prohibits the acquisition of a relevant interest in the issued voting shares in a listed company where, because of the transaction, a party's voting power increases from below 20% to more than 20%.

On 12 August 2021, ASIC granted relief to Carsome and Catcha from the operation of section 606 of the Corporations Act in relation to the acquisition of a relevant interest in the ordinary shares in iCar which arises solely as a result of the entry into the Carsome/Catcha Sale Agreement or Joint Bid Agreement or satisfaction of a condition under the Carsome/Catcha Sale Agreement or Joint Bid Agreement expressed as subject to Joint Bid Relief being granted. A copy of the Joint Bid Relief Instrument was attached to iCar's ASX announcement dated 13 August 2021.

The relief granted to Carsome and Catcha from the operation of section 606 of the Corporations Act is subject to the following conditions:

- Carsome, Catcha, Catcha Investments Limited and Catcha Sub (together the **Joint Acquirers**) must immediately terminate the Joint Bid Agreement if shareholders of iCar do not approve the Scheme in accordance with section 411(4)(a)(ii) of the Corporations Act or the Court makes a determination not to approve the Scheme where such determination is not appealed within 14 days or is final and cannot be appealed;
- the Joint Acquirers must notify ASIC of, and on request provide ASIC with:
  - any amendment or variation to the Carsome/Catcha Sale Agreement or Joint Bid Agreement; and
  - any other relevant agreement entered into of which they are aware that affects a Joint Acquirers' voting power in iCar and relates to the Scheme;
- the Joint Acquirers must use their best endeavours to have iCar engage an independent expert to prepare a report on whether the Scheme is in the best interests of the holders of issued voting shares in iCar (other than Catcha and its Related Bodies Corporate);
- each Joint Acquirer must not, and must ensure that each of their respective associates do not, vote any issued voting shares in iCar in which they have a relevant interest at any meeting to approve the Scheme;
- if any person that is not a Joint Acquirer or an associate of a Joint Acquirer (**New Associate**) becomes an associate of a Joint Acquirer during the period from the date of this instrument until the date the relevant Joint Acquirer ceases to have voting power in iCar that is affected by any relevant agreement relating to the Scheme (excluding, for the avoidance of doubt, the Carsome/Catcha Sale Agreement), that

## 9. Additional information (continued)

Joint Acquirer must take all reasonable steps to ensure that the New Associate does not acquire relevant interests in issued voting shares in iCar in reliance on item 9 of the table in section 611 that the New Associate would not be able to acquire if that Joint Acquirer and/or its associates' voting power in iCar had, at all relevant times, excluded any voting power arising as a result of, or in connection with, any relevant agreement relating to the Scheme (excluding, for the avoidance of doubt, the Carsome/Catcha Sale Agreement); and

- a requirement to match or accept a higher rival bid (being a bid or scheme offering more than 105% of the value of the consideration offered by the Joint Acquirers) and to not vote against a higher rival scheme in the circumstances set out in the Joint Bid Relief Instrument.

### 9.12 No unacceptable circumstances

The iCar Directors believe that the Scheme does not involve any circumstances in relation to the affairs of iCar that could reasonably be characterised as constituting 'unacceptable circumstances' for the purposes of section 657A of the Corporations Act.

### 9.13 No other material information

Except as disclosed elsewhere in this Scheme Booklet, so far as the iCar Directors are aware, there is no other information that is:

- material to the making of a decision by an Independent iCar Shareholder whether or not to vote in favour of the Scheme; and
- known to any iCar Director at the date of lodging this Scheme Booklet with ASIC for registration,

which has not previously been disclosed to iCar Shareholders.

### 9.14 Supplementary disclosure

iCar will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of this Scheme Booklet and the Second Court Date:

- a material statement in this Scheme Booklet is false or misleading in a material respect;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of this Scheme Booklet.

Depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals including court approval, iCar may circulate and publish any supplementary document by:

- making an announcement to the ASX;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- emailing or posting the supplementary document to iCar Shareholders at their address shown on the iCar Share Register; and/or
- posting a statement on iCar's website at [www.icarasia.com](http://www.icarasia.com),



as iCar, in its absolute discretion, considers appropriate.

ASIC will be provided with an opportunity to review and comment on any supplementary documents prior to their issue by iCar.

## 10. Glossary

### 10.1 Definitions

In this Scheme Booklet, unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
<b>Additional Carsome Consideration Shares</b>	has the meaning given in section 6.5(b).
<b>2019 LTI Performance Rights</b>	has the meaning given in section 9.2(a).
<b>Approved 2020 LTI Performance Rights</b>	has the meaning given in section 9.2(a).
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>Associate</b>	has the meaning set out in section 12 of the Corporations Act, as if subsection 12(1) of the Corporations Act included a reference to the Scheme Implementation Deed and iCar or Carsome (as applicable) was the designated body.
<b>ASX</b>	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
<b>ATO</b>	the Australian Taxation Office.
<b>Authorisations</b>	any approval, licence, consent, authority or permit.
<b>Autohome</b>	Autohome Inc.
<b>Business Day</b>	a day which is not a Saturday, Sunday, public holiday or bank holiday in Sydney, Australia or Singapore.
<b>Carsome</b>	Carsome Group Pte. Ltd. UEN 202020792D.

Term	Meaning
<b>Carsome Board</b>	the board of directors of Carsome.
<b>Carsome Consideration Shares</b>	has the meaning given in section 6.5(a).
<b>Carsome FAQs</b>	the answers to the questions 'Who is Carsome?', 'Does Carsome currently hold any iCar Shares?', 'What is the Carsome/Catcha Transaction?', 'What is the Joint Bid Agreement?', 'What is the Carsome/Catcha Sale Agreement?', 'Why does the Scheme not apply to the iCar Shares held by the Catcha Group?', 'What consideration will Catcha receive for the sale of its iCar Shares?', 'Will the Carsome/iCar Transaction still proceed if the Scheme does not proceed?' and 'Have Catcha Group and Carsome Group entered into any other arrangements in connection with the Scheme, the iCar Group or its business?' in section 2 ('Frequently asked questions').
<b>Carsome Group</b>	Carsome and each of its Subsidiaries, and a reference to a <b>Carsome Group Member</b> or a <b>member of the Carsome Group</b> is to Carsome or any of its Subsidiaries.
<b>Carsome Information</b>	<p>information regarding the Carsome Group provided by Carsome to iCar in writing for inclusion in this Scheme Booklet including:</p> <ol style="list-style-type: none"> <li>1 the entire content of section 6;</li> <li>2 section 9.8 ('Joint Bid Agreement');</li> <li>3 section 9.11(c) ('ASIC relief – section 606'); and</li> <li>4 the Carsome FAQs.</li> </ol> <p>For the avoidance of doubt, the Carsome Information excludes the iCar Information and the Independent Expert's Report and any description of the taxation effect of the Transaction on Scheme Shareholders prepared by an external adviser to iCar.</p>
<b>Carsome Loan Agreement</b>	has the meaning set out in section 9.6.
<b>Carsome/Catcha Sale Agreement</b>	the sale agreement dated 11 July 2021 between Carsome, Catcha and Catcha Sub.
<b>Carsome/Catcha Transaction</b>	the proposed acquisition of the Catcha iCar Shares by Carsome in accordance with the terms of the Joint Bid Agreement.

## 10. Glossary (continued)

Term	Meaning
<b>Catcha</b>	Catcha Group Pte. Ltd of 3 Raffles Place, #06-01 Bharat Building, Singapore 048617.
<b>Catcha Group</b>	Catcha and each of its Subsidiaries.
<b>Catcha iCar Shares</b>	the 42,905,042 iCar Shares in respect of which Catcha Sub is the registered holder.
<b>Catcha Loan Agreement</b>	has the meaning set out in section 9.5.
<b>Catcha Sub</b>	ICQ Holdings Bhd (Company Number: 20160103960) of 45-7 The Boulevard, Mid Valley City, 59200 Kuala Lumpur, Malaysia.
<b>CHESS</b>	Clearing House Electronic Subregister System.
<b>Competing Proposal</b>	<p>any proposal, agreement, arrangement or transaction which, if entered into or completed, would mean a Third Party (either alone or together with any Associate) would:</p> <ol style="list-style-type: none"> <li>1 directly or indirectly acquire a Relevant Interest in, or have a right to acquire, a legal, beneficial or economic interest in (including under a cash settled equity swap or similar derivative), or control of, 15% or more of the iCar shares;</li> <li>2 acquire Control of iCar or any material Subsidiary of iCar;</li> <li>3 directly or indirectly acquire or become the holder of, or otherwise acquire or have a right to acquire, a legal, beneficial or economic interest in, or control of, all or a material part of iCar's business or assets or the business or assets of the iCar Group;</li> <li>4 otherwise directly or indirectly acquire or merge, or be involved in an amalgamation or reconstruction (as those terms are used in s413(1) of the Corporations Act), with iCar or a material Subsidiary of iCar; or</li> <li>5 require iCar to abandon, or otherwise fail to proceed with, the Transaction,</li> </ol> <p>whether by way of takeover bid, members' or creditors' scheme of arrangement, shareholder approved acquisition, reverse takeover, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement, recapitalisation, refinancing or other transaction or arrangement.</p>



<b>Term</b>	<b>Meaning</b>
<b>Control</b>	has the meaning given in section 50AA of the Corporations Act.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth), as modified or varied by ASIC.
<b>Court</b>	the Supreme Court of New South Wales or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Carsome and iCar.
<b>COVID-19</b>	SARS-CoV-2 or COVID-19, and any evolutions or mutations thereof (including any subsequent waves or outbreaks thereof).
<b>COVID-19 Measures</b>	any quarantine, “shelter in place”, “stay at home”, lockdown workforce reduction, social distancing, shutdown, closure, sequester, safety or similar laws, rules, regulations, directives, guidelines or recommendations promulgated by any Government Agency in connection with or in response to COVID-19.
<b>Deed Poll</b>	a deed poll in the form of Annexure 3 under which Carsome covenants in favour of the Scheme Shareholders to perform the obligations attributed to Carsome under the Scheme.
<b>Disclosure Materials</b>	<ol style="list-style-type: none"> <li>1 the documents and information contained in the data room made available by iCar to Carsome and its Related Persons (an index of which has been initialled by or on behalf of the parties or by their respective lawyers for the purposes of identification); and</li> <li>2 written responses from iCar and its Related Persons to requests for further information made by Carsome and its Related Persons (a copy of which has been initialled by or on behalf of the parties or by their respective lawyers for the purposes of identification).</li> </ol>
<b>Effective</b>	when used in relation to the Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme.
<b>Effective Date</b>	the date on which the Scheme becomes Effective, currently expected to be Wednesday, 2 February 2022.
<b>End Date</b>	<ol style="list-style-type: none"> <li>1 the date which is 6 months after the date of the Scheme Implementation Deed; or</li> </ol>

## 10. Glossary (continued)

Term	Meaning
	<ol style="list-style-type: none"> <li>2 such other date as agreed in writing by the parties.</li> </ol>
<b>Excluded Shareholder</b>	<ol style="list-style-type: none"> <li>1 any iCar Shareholder who is a member of the Carsome Group as at the Scheme Record Date;</li> <li>2 Catcha Sub; and</li> <li>3 Catcha.</li> </ol>
<b>Fairly Disclosed</b>	<p>a reference to 'Fairly Disclosed' means disclosed to Carsome or any of its Related Persons (as that term is defined in the Scheme Implementation Deed), to a sufficient extent, and in sufficient detail, so as to enable a reasonable bidder experienced in transactions similar to the Transaction and experienced in a business similar to any business conducted by the iCar Group, to identify the nature and scope of the relevant matter, event or circumstance (including, in each case, that the potential financial effect of the relevant matter, event or circumstance was reasonably ascertainable from the information disclosed).</p>
<b>Financial Indebtedness</b>	<p>any debt or other monetary liability (whether actual or contingent) in respect of monies borrowed or raised or any financial accommodation including under or in respect of any:</p> <ol style="list-style-type: none"> <li>1 bill, bond, debenture, note or similar instrument;</li> <li>2 acceptance, endorsement or discounting arrangement;</li> <li>3 guarantee;</li> <li>4 finance or capital lease;</li> <li>5 agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service; or</li> <li>6 obligation to deliver goods or provide services paid for in advance by any financier.</li> </ol>
<b>First Court Date</b>	<p>the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard, or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.</p>
<b>Future 2021 LTI Performance Rights</b>	<p>has the meaning given in section 9.2(a).</p>
<b>Government Agency</b>	<p>any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown</p>

Term	Meaning
	in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
<b>GST</b>	goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply.
<b>GST Act</b>	the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
<b>GST Law</b>	has the same meaning as in the GST Act.
<b>iCar</b>	iCar Asia Limited ACN 157 710 846.
<b>iCar Board</b>	the board of directors of iCar.
<b>iCar Director</b>	a member of the iCar Board.
<b>iCar Equity Incentives</b>	any rights to iCar Shares issued under employee incentive arrangements of iCar (including options and performance rights).
<b>iCar Group</b>	iCar and each of its Subsidiaries, and a reference to an <b>iCar Group Member</b> or a <b>member of the iCar Group</b> is to iCar or any of its Subsidiaries.
<b>iCar IBC or iCar Independent Board Committee</b>	the independent board committee of iCar formed by iCar to consider the Transaction comprising, at the date of this Scheme Booklet, Georg Chmiel, Hamish Stone, Peter Everingham and Richard Kuo and an <b>iCar IBC Member</b> means any one of them.
<b>iCar Information</b>	the information contained in this Scheme Booklet, other than: <ol style="list-style-type: none"> <li>1 the Carsome Information;</li> <li>2 section 8; and</li> <li>3 the Independent Expert's Report.</li> </ol>
<b>iCar Material Adverse Change</b>	an event, change, condition, matter, circumstance or thing occurring before, on or after the date of the Scheme Implementation Deed (each a <b>Specified Event</b> ) which, whether individually or when aggregated with all such events, changes,

## 10. Glossary (continued)

Term	Meaning
	<p>conditions, matters, circumstances or things of a like kind that have occurred or are reasonably likely to occur, has had or would be reasonably likely to have the effect of:</p> <ol style="list-style-type: none"> <li>1 a diminution in the value of the consolidated revenue of the iCar Group, taken as a whole and calculated in accordance with the accounting policies and practices applied by iCar in respect of the financial year ended 31 December 2020, by at least \$7,400,000 against what such consolidated revenue would reasonably have been expected to have been for the financial year of the iCar Group ending on 31 December 2021 or the financial year of the iCar Group ending on 31 December 2022 but for such Specified Event; or</li> <li>2 an increase in the consolidated operating expenses of the iCar Group, taken as a whole and calculated in accordance with the accounting policies and practices applied by iCar in respect of the financial year ended 31 December 2020, of at least \$6,400,000 against what such consolidated operating expenses would reasonably have been expected to have been for the financial year of the iCar Group ending on 31 December 2021 or the financial year of the iCar Group ending on 31 December 2022 but for such Specified Event,</li> </ol> <p>excluding those events, changes, conditions, matters, circumstances or things to the extent:</p> <ol style="list-style-type: none"> <li>3 required, expressly permitted or expressly contemplated the Scheme Implementation Deed or the Scheme or the transactions contemplated by either;</li> <li>4 that are Fairly Disclosed in the Disclosure Materials;</li> <li>5 that were actually known to Carsome prior to the date of the Scheme Implementation Deed;</li> <li>6 agreed to or requested by Carsome in writing;</li> <li>7 arising directly or indirectly as a result of any generally applicable change in law (including subordinate legislation), regulation, directions, orders, accounting standards or principles or governmental policy, or the interpretation of any of them;</li> <li>8 arising directly or indirectly from changes in economic or business conditions that impact on the iCar Group and its competitors in a similar manner (including changes in interest rates, general economic, political or business conditions, including material adverse changes or major disruptions to, or fluctuations in, domestic or international financial markets);</li> <li>9 arising directly or indirectly from changes in foreign currency exchange rates;</li> <li>10 arising directly or indirectly from changes that generally affect the industry in which the iCar Group operates, provided that such changes do not have a materially disproportionate effect on the iCar Group relative to other participants in that industry;</li> </ol>



Term	Meaning
	<p>11 arising directly or indirectly from any act of terrorism, cyber attack, outbreak or escalation of war (whether or not declared), major hostilities or civil unrest;</p> <p>12 arising directly or indirectly from any outbreak or escalation of any disease, epidemic or pandemic (including the outbreak, escalation or any impact of, or recovery from, COVID-19 or the COVID-19 Measures);</p> <p>13 arising directly or indirectly from any act of God, natural disaster, lightning, storm flood, bushfire, earthquake, explosion, cyclone, tidal wave, landslide, on or after the date of the Scheme Implementation Deed; or</p> <p>14 that iCar Fairly Disclosed in an announcement made by iCar to ASX, or a publicly available document lodged by it with ASIC, in each case in the 3 year period prior to the date of the Scheme Implementation Deed or which would be disclosed in a search of publicly available ASIC records in relation to iCar or a Subsidiary of iCar (as relevant), in the 3 year period prior to the date of the Scheme Implementation Deed.</p>
<b>iCar Option</b>	options to subscribe for iCar Shares (on a one for one basis).
<b>iCar Performance Rights</b>	the performance rights or entitlements (whether granted, agreed to be granted, or proposed to be granted) which may result in the issue of iCar Shares, comprising the LTVC Performance Rights, 2019 LTI Performance Rights and Approved 2020 LTI Performance Rights.
<b>iCar Prescribed Occurrence</b>	<p>other than as:</p> <p>1 required, expressly permitted or expressly contemplated by the Scheme Implementation Deed, the Scheme or the transactions contemplated by either;</p> <p>2 Fairly Disclosed in the Disclosure Materials;</p> <p>3 agreed to or requested by Carsome in writing;</p> <p>4 required by any applicable law, regulation, contract (provided the contract was entered into prior to the date of the Scheme Implementation Deed) or by a Government Agency (except where that requirement arises as a result of an action by an iCar Group Member);</p> <p>5 Fairly Disclosed by iCar in an announcement made by iCar to ASX, or a publicly available document lodged by it with ASIC, in each case in the 3 year period prior to the date of the Scheme Implementation Deed or which would be disclosed in a search of publicly available ASIC records in relation to iCar or a Subsidiary of iCar (as relevant), in the 3 year period prior to the date of the Scheme Implementation Deed; or</p>

## 10. Glossary (continued)

Term	Meaning
	<p>6 required in order to grant any iCar Performance Rights set out in Schedule 5 to the Scheme Implementation Deed to the extent the relevant proposed holder of the iCar Performance Rights remains entitled to be granted such iCar Performance Rights at the time of the grant,</p> <p>the occurrence of any of the following:</p> <p>7 iCar converting all or any of its shares into a larger or smaller number of shares;</p> <p>8 a member of the iCar Group resolving to reduce its share capital in any way;</p> <p>9 a member of the iCar Group:</p> <ul style="list-style-type: none"> <li>• entering into a buy-back agreement; or</li> <li>• resolving to approve the terms of a buy-back agreement under the Corporations Act;</li> </ul> <p>10 a member of the iCar Group issuing shares, or granting a performance right or an option over its shares, or agreeing to make such an issue or grant such a right or an option, other than:</p> <ul style="list-style-type: none"> <li>• to a directly or indirectly wholly-owned Subsidiary of iCar;</li> <li>• the issue of shares upon the exercise of iCar Options or iCar Performance Rights; or</li> <li>• to any director or employee in accordance with existing arrangements or in the ordinary course (which existing arrangements or ordinary course remuneration cycle has been Fairly Disclosed in the Disclosure Materials);</li> </ul> <p>11 a member of the iCar Group issuing or agreeing to issue securities convertible into shares;</p> <p>12 a member of the iCar Group disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;</p> <p>a member of the iCar Group granting a Security Interest, or agreeing to grant a Security Interest, in the whole, or a substantial part, of its business or property other than a lien which arises by operation of law or legislation securing an obligation that is not yet due;</p> <p>13 an Insolvency Event occurs in relation to a member of the iCar Group;</p> <p>14 <b>constituent documents:</b> a member of the iCar Group making any change to its constitution or other constituent document;</p> <p>15 <b>transactions:</b> an iCar Group Member disposing of, or entering into any agreement for the disposal of, any business, assets, entity or undertaking, in each case whether in one or a number of transactions, which would or would reasonably be likely to involve a material change in:</p>

Term	Meaning
	<ul style="list-style-type: none"> <li>• the manner in which the iCar Group conducts its business;</li> <li>• the nature (including balance sheet classification), extent or value of the assets of the iCar Group; or</li> <li>• the nature (including balance sheet classification), extent or value of the liabilities of the iCar Group,</li> </ul> <p>16 <b>cease business:</b> any iCar Group Member ceasing or threatening to cease carrying on the business conducted by the iCar Group Member in the manner conducted in the 12 months prior to the date of the Scheme Implementation Deed;</p> <p>17 <b>regulatory:</b> a member of the iCar Group agrees to a material variation of, or fails to take reasonable steps to avoid (to the extent within its power) the termination, suspension, revocation or non-renewal of, any licence, permit or other authorisation given or issued to it by any Government Agency, except where the variation, termination suspension, revocation or nonrenewal of the relevant licence, permit or other authorisation could not be reasonably expected to have a material adverse effect on the financial or operational performance of the iCar Group; or</p> <p>18 <b>delisting or suspension:</b> iCar being delisted from ASX or iCar Shares being subject to suspension from quotation for trading on ASX for 5 or more trading days.</p>
<b>iCar Regulated Event</b>	<p>other than as:</p> <ol style="list-style-type: none"> <li>1 required, expressly permitted or expressly contemplated by the Scheme Implementation Deed, the Scheme or the transactions contemplated by either;</li> <li>2 Fairly Disclosed in the Disclosure Materials;</li> <li>3 agreed to or requested by Carsome in writing;</li> <li>4 required by any applicable law, regulation, contract (provided the contract was entered into prior to the date of the Scheme Implementation Deed) or by a Government Agency (except where that requirement arises as a result of an action by an iCar Group Member);</li> <li>5 Fairly Disclosed by iCar in an announcement made by iCar to ASX, or a publicly available document lodged by it with ASIC, in each case in the 3 year period prior to the date of the Scheme Implementation Deed, or which would be disclosed in a search of publicly available ASIC records in relation to iCar or a Subsidiary of iCar (as relevant) in the 3 year period prior to the date of the Scheme Implementation Deed; or</li> <li>6 required in order to grant any iCar Performance Rights set out in Schedule 5 to the Scheme Implementation Deed to the extent the relevant proposed holder of the iCar Performance Rights remains entitled to be granted such iCar Performance Rights at the time of the grant,</li> </ol>

## 10. Glossary (continued)

Term	Meaning
	<p>the occurrence of any of the following:</p> <p><b>7 corporate and capital structure:</b></p> <ul style="list-style-type: none"> <li>• an iCar Group Member reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares; or</li> <li>• iCar announcing, making, declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members (whether in cash or in specie);</li> </ul> <p><b>8 transactions:</b> an iCar Group Member acquiring, or entering into any agreement for the acquisition of, any business, assets, entity or undertaking, or entering into any corporate transaction, in each case whether in one or a number of transactions, which would or would reasonably be likely to involve a material change in:</p> <ul style="list-style-type: none"> <li>• the manner in which the iCar Group conducts its business;</li> <li>• the nature (including balance sheet classification), extent or value of the assets of the iCar Group; or</li> <li>• the nature (including balance sheet classification), extent or value of the liabilities of the iCar Group,</li> </ul> <p><b>9 acquisitions and disposals:</b> a member of the iCar Group acquiring, leasing or disposing of any business, assets, entity or undertaking, whether in one or a number of transactions, where the amounts or the value involved, or reasonably expected to be involved, in such transaction or transactions exceeds \$500,000 (individually or in aggregate);</p> <p><b>10 material contracts:</b> any member of the iCar Group:</p> <ul style="list-style-type: none"> <li>• entering into, terminating or amending in a material respect any contract or commitment or series of related contracts or commitments (excluding in respect of Financial Indebtedness) which is reasonably expected to involve expenditure or revenue, or a present value of expenditure or revenue, or the assumption of potential liabilities, or providing for payments, to the iCar Group in excess of \$500,000 per annum (individually or in aggregate) over the term of the contracts or commitments;</li> <li>• entering into or amending in any material respect any joint venture, partnership asset, or profit sharing agreement or similar arrangement or any contract or commitment restraining a member of the iCar Group from competing with any person or conducting activities in any market;</li> <li>• entering into any transaction or agreement that continues beyond the Implementation Date on terms that is not arm's length commercial term; or</li> <li>• entering into any agreement, arrangement or transaction with respect to derivative instruments (including, but not limited to, swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments;</li> </ul>



Term	Meaning
	<p>11 <b>capex:</b> any member of the iCar Group incurring, or committing to incur, in aggregate, capital expenditure which is, or is reasonably expected to be, in excess of \$500,000 (other than any capital expenditure which has been Fairly Disclosed in the Disclosure Materials);</p> <p>12 <b>disputes:</b> a member of the iCar Group:</p> <ul style="list-style-type: none"> <li>• waiving any material third party default where the financial impact on the iCar Group will be in excess of \$250,000 (individually or in aggregate); or</li> <li>• accepting as a compromise of a matter less than the full compensation due to a member of the iCar Group where the financial impact of the compromise on the iCar Group is more than \$250,000 (individually or in aggregate),</li> </ul> <p>other than as claimant in respect of the collection of trade debts arising in the ordinary course of the iCar Group's business;</p> <p>13 <b>notice of disputes:</b> receiving notice of any investigation, prosecution, arbitration, litigation or dispute against a member of the iCar Group, in any such case which:</p> <ul style="list-style-type: none"> <li>• is material;</li> <li>• is not initiated by or involves any Carsome Group Member;</li> <li>• would reasonably be expected to give rise to a liability for the iCar Group in excess of \$1,000,000; and</li> <li>• the relevant member of the iCar Group has accepted such liability;</li> </ul> <p>14 <b>Financial Indebtedness:</b> a member of the iCar Group incurring any additional, increasing any existing or issuing any additional Financial Indebtedness for amounts, or amounts with a present value, in excess of \$19,500,000 (individually or in aggregate);</p> <p>15 <b>financial accommodation:</b> a member of the iCar Group providing financial accommodation other than to members of the iCar Group (irrespective of what form of Financial Indebtedness that accommodation takes) in excess of \$500,000 (individually or in aggregate);</p> <p>16 <b>accounting:</b> a member of the iCar Group changing any accounting method, practice or principle used by it, other than as a result of changes in generally accepted accounting standards or principles or the interpretation of any of them;</p> <p>17 <b>employees:</b> a member of the iCar Group:</p> <ul style="list-style-type: none"> <li>• entering into any new employment agreement, or terminating any employment agreement, with an individual in respect of which the aggregate annual compensation is greater than \$240,000, except pursuant to contractual arrangements or iCar's policies and guidelines in effect on the date of the Scheme Implementation Deed (to the</li> </ul>

## 10. Glossary (continued)

Term	Meaning
	<p>extent such arrangements, policies and guidelines are Fairly Disclosed in the Disclosure Materials);</p> <ul style="list-style-type: none"> <li>• paying any bonus to, or increasing the compensation of, any officer or employee of any iCar Group Member except where it is in the ordinary course of business and consistent with past practice and industry practice or pursuant to contractual arrangements or iCar's policies and guidelines in effect on the date of the Scheme Implementation Deed (to the extent such arrangements, policies and guidelines are Fairly Disclosed in the Disclosure Materials)) (<b>Relevant Bonuses and Increases</b>), where the aggregate value of all such Relevant Bonuses and Increases exceeds \$400,000 per annum;</li> <li>• granting to any officer or employee of any iCar Group Member any severance, termination or retention pay or superannuation entitlements (or increasing any such existing entitlements) except pursuant to contractual arrangements or iCar's policies and guidelines in effect on the date of the Scheme Implementation Deed (to the extent such arrangements, policies and guidelines are Fairly Disclosed in the Disclosure Materials), or required by law or the terms of an award or enterprise bargaining agreement or Australian workplace agreement (or an equivalent or similar agreement or arrangement in any other jurisdiction); or</li> <li>• establishing, adopting, entering into or amending in any material respect any enterprise bargaining agreement of any iCar Group Member or relating to the officers or employees of any iCar Group Member;</li> </ul> <p>18 <b>new lines of business:</b> a member of the iCar Group commencing business activities not already carried out as at the date of the Scheme Implementation Deed, whether by way of acquisition or otherwise;</p> <p>19 <b>tax elections:</b> a member of the iCar Group makes any material tax election or settles or compromises any material liability relating to a tax dispute unless the relevant iCar Group Member has received an opinion from a partner of a big 4 accounting firm, Queen's Counsel or Senior Counsel with at least 15 years' experience in tax matters that the election, settlement or compromise is in the best interests of that iCar Group Member;</p> <p>20 <b>related party transactions:</b> a member of the iCar Group entering into, or resolving to enter into, a transaction with any related party of iCar (other than a related party which is a member of the iCar Group), as defined in section 228 of the Corporations Act (excluding any transaction involving paying amounts or conferring benefits to directors of iCar in accordance with their employment or engagement terms or their statutory or other entitlements); or</p> <p>21 <b>advisor arrangements:</b> a member of the iCar Group amending in any material respect any arrangement with its</p>

Term	Meaning
	Financial Adviser, or entering into arrangements with a new Financial Adviser, in respect of the Transaction.
<b>iCar Share</b>	a fully paid ordinary share in the capital of iCar.
<b>iCar Share Register</b>	the register of members of iCar maintained in accordance with the Corporations Act.
<b>iCar Share Registry</b>	Boardroom Pty Limited ABN 14 003 209 836.
<b>iCar Shareholder</b>	each person who is registered as the holder of an iCar Share in the iCar Share Register.
<b>iCar Singapore</b>	iCar Asia Pte Limited, a wholly-owned Subsidiary of iCar.
<b>Implementation Date</b>	the third Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as iCar and Carsome agree in writing, currently expected to be Thursday, 10 February 2022.
<b>Independent Expert</b>	Lonergan Edwards & Associates Limited, the independent expert in respect of the Scheme appointed by iCar.
<b>Independent Expert's Report</b>	the report issued by the Independent Expert in connection with the Scheme, as set out in Annexure 1.
<b>Independent iCar Shareholders</b>	iCar Shareholders, other than Excluded Shareholders.
<b>Insolvency Event</b>	in relation to an entity: <ol style="list-style-type: none"> <li>1 the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity (other than where the order is set aside within 14 days);</li> <li>2 a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets;</li> <li>3 the entity executing a deed of company arrangement;</li> </ol>

## 10. Glossary (continued)

Term	Meaning
	<p>4 the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the date of the Scheme Implementation Deed;</p> <p>5 the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation); or</p> <p>6 the entity being deregistered as a company or otherwise dissolved,</p> <p>or any other like event, matter or circumstance occurring in relation to an entity in another jurisdiction.</p>
<b>Joint Bid Agreement</b>	the joint bid agreement dated 11 July 2021 between Carsome and Catcha.
<b>Joint Bid Relief</b>	means an instrument made by ASIC under section 655A of the Corporations Act exempting the acquisition of a Relevant Interest pursuant to the Carsome/Catcha Sale Agreement or the Joint Bid Agreement from the provisions of Chapter 6 of the Corporations Act.
<b>Joint Bid Relief Instrument</b>	ASIC instrument 21-0719, issued on 12 August 2021.
<b>Last Practicable Date</b>	2 December 2021.
<b>Listing Rules</b>	the official listing rules of the ASX.
<b>LTI Plan</b>	the long term incentive plan established and operated by iCar.
<b>LTVC Performance Rights</b>	has the meaning given in section 9.2(a).
<b>LTVC Scheme</b>	the long term value creation scheme established and operated by iCar.
<b>Maximum Scheme Consideration</b>	the maximum consideration of \$170,503,667 payable by Carsome in connection with the Scheme, having regard to iCar's issued share capital as at the Last Practicable Date, the total cash amount of \$0.53 per iCar Share offered to iCar Shareholders, the



Term	Meaning
	proposed treatment of the iCar Options and the iCar Performance Rights.
<b>Reimbursement Fee</b>	\$1,700,000 (inclusive of any GST).
<b>Related Bodies Corporate</b>	has the meaning set out in section 50 of the Corporations Act.
<b>Relevant Interest</b>	has the meaning given in sections 608 and 609 of the Corporations Act.
<b>Requisite Majorities</b>	<p>in relation to the Scheme Resolution, a resolution passed by:</p> <ol style="list-style-type: none"> <li>1 unless the Court orders otherwise, a majority in number (more than 50%) of Independent iCar Shareholders present and voting at the Scheme Meeting (either online or by proxy, attorney or, in the case of corporate Independent iCar Shareholders, body corporate representative); and</li> <li>2 at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Independent iCar Shareholders present and voting (either online or by proxy, attorney or, in the case of corporate Independent iCar Shareholders, body corporate representative).</li> </ol>
<b>Reverse Reimbursement Fee</b>	\$1,700,000 (inclusive of any GST).
<b>Scheme</b>	the scheme of arrangement under Part 5.1 of the Corporations Act between iCar and the Scheme Shareholders, the form of which is attached as Annexure 2, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Carsome and iCar.
<b>Scheme Booklet</b>	this document being the explanatory statement in respect of the Scheme, which has been prepared by iCar in accordance with section 412 of the Corporations Act.
<b>Scheme Consideration</b>	the consideration to be provided by or on behalf of Carsome to each Scheme Shareholder for the transfer to Carsome of each Scheme Share, being \$0.53 cash for each iCar Share held by a Scheme Shareholder as at the Scheme Record Date.

## 10. Glossary (continued)

Term	Meaning
<b>Scheme Implementation Deed</b>	the Scheme Implementation Deed dated 16 October 2021 between iCar and Carsome, a copy of which was released to the ASX on 18 October 2021.
<b>Scheme Meeting</b>	the meeting of Independent iCar Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
<b>Scheme Record Date</b>	7.00pm on the third Business Day after the Effective Date, currently expected to be Wednesday, 2 February 2022, or such other time and date as iCar and Carsome agree in writing.
<b>Scheme Resolution</b>	the resolution to the terms of the Scheme, as set out in the Notice of Scheme Meeting in Annexure 4.
<b>Scheme Shareholder</b>	a holder of iCar Shares recorded in the iCar Share Register as at the Scheme Record Date (other than Excluded Shareholders).
<b>Scheme Shares</b>	all iCar Shares held by the Scheme Shareholders as at the Scheme Record Date.
<b>Second Court Date</b>	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard, currently expected to be Wednesday, 2 February 2022, or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
<b>Second Court Hearing</b>	the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.
<b>Security Interest</b>	has the meaning given in section 51A of the Corporations Act.
<b>Subsidiary</b>	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.

Term	Meaning
<b>Superior Proposal</b>	<p>a bona fide Competing Proposal that the iCar IBC, acting in good faith, determines:</p> <ol style="list-style-type: none"> <li>1 is reasonably capable of being completed in accordance with its terms (taking into account all aspects of the Competing Proposal, including its conditions); and</li> <li>2 would or would be reasonably likely to, if completed in accordance with its terms, provide a superior outcome for iCar or Independent iCar Shareholders than the Transaction or any counterproposal from Carsome made under clause 10.4 of the Scheme Implementation Deed), taking into account all aspects of the Competing Proposal, including the identity, reputation and financial condition of the proponent making such Competing Proposal, relevant legal, regulatory and financial matters and the expected timing for the implementation of such Competing Proposal.</li> </ol>
<b>Third Party</b>	a person other than Carsome, its Related Bodies Corporate and its other Associates.
<b>Transaction</b>	the acquisition of the Scheme Shares by Carsome through implementation of the Scheme in accordance with the terms of the Scheme Implementation Deed.
<b>VWAP</b>	volume weighted average price.

## 10.2 Interpretation

In this Scheme Booklet, unless expressly stated or the context otherwise appears:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a section or annexure is a reference to a section of and an annexure to this Scheme Booklet as relevant;
- (f) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;
- (h) a reference to time is a reference to time in Sydney, Australia;

## 10. Glossary (continued)

- (i) a reference to writing includes facsimile transmissions; and
- (j) a reference to dollars, \$, AUD, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia, unless noted otherwise.



# Annexure 1 - Independent Expert's Report

# Annexure 1 - Independent Expert's Report (continued)

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59200 Kuala Lumpur, Malaysia

3 December 2021

**Subject: Proposed acquisition of iCar Asia Limited by way of a Scheme**

Dear Independent Board Committee members

### Introduction

- 1 On 30 October 2020, iCar Asia Limited (iCar or the Company) announced that it had received a non-binding proposal from Autohome Inc (Autohome)<sup>1</sup> to acquire 100% of the shares in iCar for A\$0.50 cash per share (Indicative Autohome Proposal). Discussions between the parties ensued.
- 2 Subsequently on 13 July 2021, iCar announced that it had received a conditional, non-binding and indicative proposal from Carsome Group Pte Ltd (Carsome) pursuant to which Carsome would acquire all the ordinary shares of iCar that Carsome and its associates do not already own for cash consideration of A\$0.55 per share (Indicative Carsome Proposal). The announcement noted that Carsome had entered into agreements with Catcha Group Pte Ltd (Catcha) (and its subsidiary ICQ Holdings Bhd) (together, the Catcha Entities) pursuant to which:
  - (a) **Sale Agreement<sup>2</sup>** – Carsome would acquire 89,456,448 iCar shares<sup>3</sup> from the Catcha Entities in exchange for the issue of 1,703,174 D2 redeemable / convertible preference shares in Carsome (D2 Preference Shares)
  - (b) **Joint Bid Agreement<sup>4</sup>** – Carsome and Catcha would co-operate with respect to the implementation of the potential acquisition of iCar, including the acquisition by Carsome of the Catcha Entities' remaining 42,905,042 iCar shares<sup>5</sup>.

<sup>1</sup> A leading online destination for automobile consumers in China. Autohome is listed on the New York Stock Exchange (NYSE).

<sup>2</sup> The iCar Share Sale Agreement between Carsome and the Catcha Entities, dated 11 July 2021.

<sup>3</sup> Representing some 19.9% of iCar's shares on issue.

<sup>4</sup> The Joint Bid Agreement between Carsome and Catcha, dated 11 July 2021.

<sup>5</sup> Representing some 9.5% of iCar's shares on issue.

#### Authorised Representatives:

Wayne Lonergan • Craig Edwards\* • Hung Chu • Martin Hall • Martin Holt\* • Grant Kepler\* • Julie Planinic\* • Nathan Toscan • Jorge Resende

\* Members of Chartered Accountants Australia and New Zealand and holders of Certificate of Public Practice.

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- 3 The acquisition of the iCar shares under the Sale Agreement and the Joint Bid Agreement were conditional upon Carsome and Catcha obtaining joint bid relief from the Australian Securities and Investments Commission (ASIC)<sup>6</sup>. Joint bid relief was received on 12 August 2021 (and announced by iCar on 13 August 2021), and under the terms of the instrument, Carsome and Catcha agreed to customary “match or accept” provisions<sup>7</sup>. Carsome completed the acquisition of the Catcha Entities’ 89,456,448 iCar shares on 31 August 2021.
- 4 iCar’s Independent Board Committee (IBC)<sup>8</sup> considered the Indicative Carsome Proposal and concluded that it was in the best interests of iCar shareholders to provide due diligence (DD) access to Carsome with a view to seeking to agree a binding transaction capable of being put to iCar shareholders.
- 5 Subsequent to the announcement of the Indicative Carsome Proposal, Autohome decided to terminate discussions in relation to its potential acquisition of iCar.
- 6 Carsome completed its DD around 1 October 2021 and in response to its findings, revised its offer price to between A\$0.53 and A\$0.54 cash per share, with the final price to be agreed between the parties in parallel with the finalisation and agreement of the terms of the transaction documentation (Revised Carsome Proposal).
- 7 On 18 October 2021, iCar announced that it and Carsome had signed a Scheme Implementation Deed (the Agreement) pursuant to which Carsome will acquire all of the issued shares in iCar that it and its associates do not already own. The proposed acquisition of the shares is to be implemented via a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) (Corporations Act) (the Scheme) and is subject to a number of conditions precedent (as summarised in Section I of our report).
- 8 If the Scheme is approved and implemented:
  - (a) **Scheme Shareholders** – iCar shareholders, other than any member of the Carsome group of companies (Carsome Group) and the Catcha Entities (Scheme Shareholders), will receive A\$0.53 cash for each iCar share they hold on the Scheme Record Date (Scheme Consideration)
  - (b) **Catcha Entities** – pursuant to the Joint Bid Agreement, Carsome will immediately following implementation<sup>9</sup> acquire the Catcha Entities’ remaining 42,905,042 iCar shares in exchange for a further 794,268 D2 Preference Shares in Carsome.

<sup>6</sup> A joint bid arises where two or more parties agree to come together to make a bid for a company. Joint bids that result in the joint bidders having a combined relevant interest in the target company of 20% or more generally require ASIC relief, or the approval of non-associated shareholders.

<sup>7</sup> If the joint bidders are not prepared to match or better a higher rival offer (of more than 105% of the value of the consideration offered by the joint bidders), the joint bidders must either: in the case of a rival takeover offer, accept the offer under that takeover; or in the case of a higher rival scheme, not vote against the scheme.

<sup>8</sup> The IBC initially comprised Mr Georg Chmiel (Executive Chair), Mr Hamish Stone (Managing Director and Chief Executive Officer) and three Independent Non-Executive Directors: Mr Syed Khalil Ibrahim, Mr Richard Kuo and Mr Peter Everingham. Mr Syed Khalil Ibrahim subsequently recused himself from the IBC’s consideration of the Scheme and from membership of the IBC (due to his investment and interest in a fund which has a small investment in Carsome).

<sup>9</sup> Or at such other time as agreed between Carsome and Catcha.

# Annexure 1 - Independent Expert's Report (continued)

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- 9 Under the Corporations Act, the Scheme is approved if the resolutions approving the Scheme are passed by a majority in number (more than 50%) of the Scheme Shareholders present and voting at the Scheme Meeting (in person or by proxy), and by 75% of the votes cast on the resolution at that meeting. For the avoidance of doubt, members of the Carsome Group and the Catcha Entities will be precluded from voting on the Scheme resolutions.
- 10 If the resolutions are passed by the requisite majorities, and the other conditions of Scheme are satisfied or waived, a second Court hearing will be held to approve the Scheme which, if approved, will become binding on all Scheme Shareholders who hold iCar shares as at the Scheme Record Date, whether or not they voted for the Scheme (and even if they voted against the Scheme).

## **iCar**

- 11 iCar owns and operates ASEAN's<sup>10</sup> number one network of automotive portals. Headquartered in Kuala Lumpur, Malaysia, the company is focused on developing and operating leading automotive portals in Malaysia, Indonesia and Thailand. The Company's online properties, which include automotive classifieds and news content sites, reach approximately 10 million car buyers and sellers in the region every month.

## **Carsome and Catcha**

- 12 Carsome is Southeast Asia's largest integrated car e-commerce platform. It provides end-to-end solutions to consumers and used car dealers, from car inspection to ownership transfer to financing. With presence across Malaysia, Indonesia, Thailand and Singapore, Carsome's aim is to digitise the used car industry in the Southeast Asian region by reshaping and elevating the car buying and selling experience.
- 13 Catcha is a private company that controls a number of publicly listed and private media, new media, online classified and e-commerce businesses and is one of the largest investors in the digital sector in emerging markets, in particular ASEAN markets.

## **Purpose of report**

- 14 Although Carsome's relevant interest in iCar shares is less than 30%<sup>11</sup>, iCar and Carsome do have one common director (Mr Patrick Grove) and accordingly, there a legal requirement under the Corporations Act and the *Corporations Regulations 2001* (Cth) (Corporations Regulations) for an IER to be prepared in relation to the Scheme.
- 15 Further, the Scheme is subject to a number of conditions precedent, including an independent expert concluding and continuing to conclude that the Scheme is in the best interests of the Scheme Shareholders. In addition:
  - (a) the IBC's recommendation of the Scheme is subject to an independent expert concluding, and continuing to conclude, that the Scheme is in the best interests of the Scheme Shareholders in the absence of a superior proposal

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<sup>10</sup> Association of Southeast Asian Nations (ASEAN), an economic union comprising 10 member states in Southeast Asia (i.e. Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam).

<sup>11</sup> Carsome's relevant interest is 29.4% based upon its direct holding of 89,456,448 iCar shares and (pursuant to the Joint Bid Agreement) its indirect interest in the Catcha Entities' remaining interest in 42,905,042 iCar shares.



- (b) as the Scheme is considered a change of control transaction, ASIC Regulatory Guide 111 – *Content of expert reports* (RG 111) also requires any appointed independent expert to provide an opinion on whether the Scheme is fair and reasonable.
- 16 Accordingly, the IBC has requested Lonergan Edwards & Associates Limited (LEA) to prepare an independent expert’s report (IER) stating whether, in LEA’s opinion, the Scheme is fair and reasonable and in the best interests of the Scheme Shareholders and the reasons for that opinion.
- 17 For the avoidance of doubt, this IER is limited to an assessment of the merits of the Scheme from the perspective of the Scheme Shareholders only (i.e. iCar shareholders other than any member of the Carsome Group and the Catcha Entities). We have not separately opined on whether the Scheme is fair and reasonable and in the best interests of the Catcha Entities because Catcha is considered a joint bidder with Carsome and the Catcha Entities’ iCar shares are not being acquired under the Scheme and therefore the Catcha Entities will not be entitled to vote on the Scheme.
- 18 LEA is independent of iCar, Carsome and the Catcha Entities and has no other involvement or interest in the proposed Scheme.

### Summary of opinion

- 19 In our opinion, the Scheme is fair and reasonable and therefore in the best interests of the Scheme Shareholders in the absence of a superior proposal. We have formed this opinion for the reasons set out below.

### Value of iCar

- 20 We have assessed the value of iCar shares on a 100% controlling interest basis at A\$0.45 to A\$0.50 per share, as shown below:

<b>iCar – valuation summary<sup>(1)</sup></b>			
	<b>Paragraph</b>	<b>Low A\$m</b>	<b>High A\$m</b>
Assessed enterprise value	191	215.0	235.0
Other assets / (liabilities)	203	(0.8)	(0.3)
Net cash / (debt)	206	(10.0)	(10.0)
<b>Equity value – controlling interest basis</b>		<b>204.2</b>	<b>224.7</b>
Fully diluted shares on issue (million)	211	449.8	449.8
<b>iCar value per share – controlling interest basis (A\$)</b>		<b>0.45</b>	<b>0.50</b>

**Note:**

- 1 Rounding differences may exist.

### Fair and reasonable opinion

- 21 Pursuant to RG 111 a scheme is “fair” if the value of the Scheme Consideration is equal to or greater than the value of the securities the subject of the Scheme.
- 22 This comparison for iCar shares is shown below:

# Annexure 1 - Independent Expert's Report (continued)

Comparison of Scheme Consideration to value of iCar			
	Low	High	Mid-point
	A\$ per share	A\$ per share	A\$ per share
Value of Scheme Consideration	0.53	0.53	0.530
Value of 100% of iCar	0.45	0.50	0.475
Extent to which the Scheme Consideration exceeds (or is less than) the value of iCar	0.08	0.03	0.055

- 23 As the Scheme Consideration exceeds our assessed valuation range for iCar shares on a 100% controlling interest basis, in our opinion, the Scheme Consideration is “fair” to the Scheme Shareholders when assessed based on the guidelines set out in RG 111.
- 24 Pursuant to RG 111, a transaction is reasonable if it is fair. Consequently, in our opinion, the Scheme is also “reasonable”.

#### In the best interests

- 25 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of members of the company.
- 26 In our experience, if a transaction is “fair” and “reasonable” under RG 111 it will also be “in the best interests” of shareholders. This is because if the consideration payable pursuant to a scheme is fair, shareholders are implicitly receiving consideration for their shares which is consistent with the full underlying value of those shares.
- 27 We therefore consider that the Scheme is also “in the best interests” of the Scheme Shareholders in the absence of a superior proposal.

#### Assessment of the Scheme

- 28 We summarise below the likely advantages and disadvantages of the Scheme for the Scheme Shareholders.

#### Advantages

- 29 In our opinion, the Scheme has the following benefits for the Scheme Shareholders:
- (a) the Scheme Consideration of A\$0.53 cash per share exceeds the high end of our assessed value range for iCar shares on a 100% controlling interest basis. Thus, in our view, Scheme Shareholders are being paid an appropriate price to compensate them for the fact that control of iCar will pass to Carsome if the Scheme is approved and implemented
  - (b) the Scheme Consideration represents a significant premium to the recent market prices of iCar shares prior to the announcement of the Indicative Carsome Proposal on 13 July 2021. Furthermore, the premium is well above observed premiums generally paid to target company shareholders in comparable circumstances
  - (c) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of iCar shares is likely to trade at a significant discount to our valuation and the Scheme Consideration due to the portfolio nature of individual shareholdings

- (d) in this regard, given the market has been aware that iCar has been the subject of takeover interest since October 2020 (i.e. for a period of more than 12 months) and the offer under the Scheme is the only formal binding offer to emerge for the Company since it has effectively been “in play”, we consider the prospects of an alternative offer or proposal to be unlikely.

#### Disadvantages

- 30 Scheme Shareholders should note that if the Scheme is implemented they will no longer hold an interest in iCar. The Scheme Shareholders will therefore not participate in any future value created by the company over and above that reflected in the Scheme Consideration.
- 31 However, as our assessed value of iCar shares is consistent with the Scheme Consideration, in our opinion, the present value of iCar’s future potential is reflected in the Scheme Consideration.

#### Conclusion

- 32 Given the above analysis, we consider we consider the advantages of the Scheme to outweigh the disadvantages. Consequently, in our view, the acquisition of iCar shares under the Scheme is fair and reasonable and therefore in the best interests of the Scheme Shareholders in the absence of a superior proposal.

#### Other matters

- 33 iCar shareholders should be aware that the Catcha Entities are being provided with the ability to retain an interest in the iCar business (as well as obtain an exposure to the Carsome business) by exchanging (in two separate tranches) their 132,361,490 iCar shares (or 29.4% interest in iCar) for some 2,497,442 D2 Preference Shares in Carsome<sup>12</sup>. It is important to note that the exchange of the first tranche (89,456,448 iCar shares<sup>13</sup> for 1,703,174 D2 Preference Shares) completed on 31 August 2021<sup>14</sup> and that it is only the second tranche (42,905,042 iCar shares<sup>15</sup> for 794,268 D2 Preference Shares) that remains conditional upon the Scheme proceeding.
- 34 Carsome is a private unlisted entity that is domiciled in Singapore (further details about Carsome are provided at paragraph 12). Its equity is comprised of ordinary share capital as well as number of different tranches of preference shares.
- 35 The D2 Preference Shares rank ahead of the other tranches on issue but are otherwise similar in nature, in that they have (inter alia) voting rights, preferential dividend entitlements and can, at the option of the holder, be converted to ordinary equity. The Catcha Entities will also be entitled to appoint a Director to the Carsome Board<sup>16</sup> and will have specific voting rights in certain circumstances. That said, based upon our review of Carsome’s Shareholders’ Deed and the pro-forma composition of its security register, the Catcha Entities’ interest in Carsome

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<sup>12</sup> The exchange ratio was based upon assumed notional values of A\$0.60 per iCar share and US\$24.2416 per D2 Preference Share (and AUD:USD exchange rates of some 0.76923 and 0.74794 for tranche 1 and 2 respectively).

<sup>13</sup> Representing some 19.9% of iCar’s shares on issue.

<sup>14</sup> As noted at footnote 2, the Sale Agreement governing this sale was signed and dated 11 July 2021.

<sup>15</sup> Representing some 9.5% of iCar’s shares on issue.

<sup>16</sup> Noting that Mr Patrick Grove was appointed a director of Carsome in November 2021.

# Annexure 1 - Independent Expert's Report (continued)

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will effectively represent a minority interest. It should also be noted that the Catcha Entities' ability to transfer or dispose of its interest will be significantly restricted.

- 36 Concurrent with the transactions with the Catcha Entities, Carsome also raised equity from existing and new non-associated third party investors including the Catcha Entities<sup>17</sup> (through the issue of D2 Preference Shares). The total number of D2 Preference Shares issued (including those issued / to be issued to the Catcha Entities) represented some 20% of the total number of Carsome's (pre-equity raise) securities on issue.
- 37 The issue price was US\$24.24 cash per D2 Preference Share. This cash price implicitly reflected the rights and restrictions attaching to these securities, including their minority interest status and the illiquid nature of the holding. Based upon this cash issue price, the implied value received by the Catcha Entities for their interest in iCar is calculated as follows:

Implied value received by the Catcha Entities per iCar share held <sup>(1)</sup>	
Number of D2 Preference Shares issued / to be issued to Catcha Entities	2,497,442
Cash price at which D2 Preference Shares were issued (US\$)	24.24
Implied value of Carsome equity issued to Catcha Entities (US\$)	60,541,990
Number of iCar shares exchanged	132,361,490
Implied value received by Catcha Entities per iCar share held (US\$)	0.457
Assumed AUD:USD foreign exchange rate <sup>(2)</sup>	0.75
<b>Implied value received by Catcha Entities per iCar share held (A\$)<sup>(2)</sup></b>	<b>0.610</b>

**Note:**

- 1 Rounding differences may exist.
- 2 Broadly based upon the average exchange rate over the last 12 months. However, it should be noted that exchange rates are volatile and the adoption of a lower assumed rate will give rise to a higher implied value (and vice versa). The weighted average exchange rate agreed between Carsome and the Catcha Entities was some 0.76233. The application of this exchange rate results in an implied value received of A\$0.60 per iCar share.

- 38 Given the above, in our view, the implied value received by the Catcha Entities (per iCar share) is likely to be greater than the Scheme Consideration (i.e. A\$0.53 cash per iCar share) offered to Scheme Shareholders under the Scheme. However, it should be noted that:
- (a) the Catcha Entities have forgone their strategic (i.e. 29.4%) shareholding in iCar and are exposed to transaction risk<sup>18</sup>
  - (b) the value of the Catcha Entities' interest in Carsome will be subject to ongoing economic, general business and strategy execution risk<sup>19</sup>
  - (c) the D2 Preference Shares will be substantially illiquid, meaning that it is inherently uncertain as to how, when and at what price the Catcha Entities may monetise the value of their investment (noting that although Carsome has indicated a medium-term

<sup>17</sup> Which in addition to agreeing to exchange its iCar shares for Carsome equity, also acquired US\$20 million of Carsome equity (for cash).

<sup>18</sup> In connection with the joint bid arrangements, the Catcha Entities have already transferred to Carsome some 89,456,448 shares in iCar (representing approximately 19.9% of the share capital of iCar) and therefore if the Scheme does not proceed, the Catcha Entities will retain only a 9.5% interest in iCar.

<sup>19</sup> Noting in particular, that there remains some uncertainty in relation to the ongoing impact of COVID-19 on businesses like iCar and Carsome.



intention to seek to list its securities, potentially in the United States of America (US)<sup>20</sup>, no decision has been made on whether it will pursue a listing or any alternative transaction structures).

39 In contrast, the Scheme Consideration provides cash (value) certainty.

### General

40 In preparing this report we have considered the interests of the Scheme Shareholders as a whole. Accordingly, this report only contains general financial advice and does not consider the personal objectives, financial situations or requirements of individual shareholders.

41 The impact of approving the Scheme on the tax position of the Scheme Shareholders depends on the individual circumstances of each investor. Scheme Shareholders should read the Scheme Booklet and consult their own professional advisers if in doubt as to the taxation consequences of the Scheme.

42 The ultimate decision whether to approve the Scheme should be based on each Scheme Shareholder's assessment of their own circumstances. If the Scheme Shareholders are in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, Scheme Shareholders should seek independent professional advice.

43 For our full opinion on the Scheme and the reasoning behind our opinion, we recommend that the Scheme Shareholders read the remainder of our report.

Yours faithfully



Nathan Toscan  
Authorised Representative



Jorge Resende  
Authorised Representative

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<sup>20</sup> Reuters, *Malaysia's Carsome raises \$170 mln to reach \$1.3 bln valuation*, 1 September 2021 and Forbes, *Malaysia's Carsome Reaches \$1.3 Billion Valuation In Funding Round From MediaTek And Others*, 1 September 2021.

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## I Key terms of the Scheme

### Terms

44 An overview and key terms of the Scheme is set out at paragraphs 1 to 10.

### Conditions

45 The Scheme is subject to the satisfaction or waiver (if capable of waiver) of a number of conditions precedent, including the following which are outlined in the Agreement (dated 16 October 2021):

- (a) approval of the Scheme by the Court in accordance with s411(4)(b) of the Corporations Act
- (b) Scheme Shareholder approval by the requisite majorities under the Corporations Act at the Scheme Meeting
- (c) an independent expert issuing a report concluding that the Scheme is in the best interests of the Scheme Shareholders and not withdrawing or changing this conclusion before 8:00am on the Second Court Date
- (d) by 8.00am on the Second Court Date:
  - (i) there is not in effect any temporary, preliminary or final order, injunction, decision or decree issued by any court of competent jurisdiction or "Government Agency" (as defined in Schedule 2 of the Agreement), or other material legal restraint or prohibition;
  - (ii) no action or investigation is announced, commenced or threatened by any "Government Agency" (as defined in Schedule 2 of the Agreement); and
  - (iii) no application is made to any "Government Agency" (as defined in Schedule 2 of the Agreement),  
in consequence of, or in connection with, the Scheme which restrains, prohibits or otherwise materially adversely affects the Scheme, or could reasonably be expected to restrain, prohibit or otherwise materially adversely affect) the Scheme, completion of the transaction or the rights of Carsome in respect of iCar or the iCar shares to be acquired under the Scheme
- (e) no "iCar Prescribed Occurrence" (as defined in Schedule 2 of the Agreement) occurs or becomes known to Carsome between (and including) the date of the Agreement and 8.00am on the Second Court Date
- (f) no "iCar Material Adverse Change" (as defined in Schedule 2 of the Agreement) occurs or becomes known to Carsome between (and including) the date of the Agreement and 8.00am on the Second Court Date.

46 In addition, iCar has agreed that during the Exclusivity Period<sup>21</sup>, it will not:

<sup>21</sup> Period from the date of the Agreement until the earlier of: the date the Scheme becomes effective, the date six months after the date of the Agreement, or the date of termination of the Agreement.



- (a) solicit, encourage or initiate any negotiations or discussions in relation to, or which may reasonably be expected to encourage or lead to, a competing proposal
  - (b) participate in any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of, a competing proposal, or facilitate, participate in or continue any negotiations, discussions or other communications with respect to a competing proposal
  - (c) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential competing proposal
  - (d) disclose or otherwise provide or make available to a third party any material non-public information relating to iCar with a view to obtaining, or which would reasonably be expected to encourage or lead to the formulation, receipt or announcement of an actual, proposed or potential competing proposal
  - (e) communicate to any person any intention to do any of the things in (a) to (d).
- 47 Certain of the exclusivity obligations (relating to “no talk” and “no due diligence”) do not apply in respect of a competing proposal if iCar has complied with the various obligations set out in the Agreement and the iCar Board or IBC determines, acting in good faith:
- (a) after consultation with its advisers, that the competing proposal is, or may reasonably be expected to lead to, a Superior Proposal (as defined in Schedule 2 of the Agreement)<sup>22</sup>; and
  - (b) after receiving legal advice from its external legal advisers, that compliance with its exclusivity obligations would be reasonably likely to constitute a breach of any of the fiduciary or statutory duties of the IBC members.
- 48 A reimbursement fee of A\$1.7 million is payable by iCar to Carsome, or by Carsome to iCar in certain circumstances as specified in the Agreement.

### Resolution

- 49 Scheme Shareholders will be asked to vote on the Scheme in accordance with the resolution contained in the notice of meeting accompanying the Scheme Booklet. For the avoidance of doubt, members of the Carsome Group and the Catcha Entities will be precluded from voting on the Scheme.
- 50 If the resolution is passed by the requisite majorities, iCar must apply to the Court for orders approving the Scheme, and if that approval is given, lodge the orders with ASIC and do all things necessary to give effect to the Scheme. Once the Court approves the Scheme it will become binding on all Scheme Shareholders who hold iCar shares as at the Scheme Record Date, whether or not they voted for the Scheme (and even if they voted against the Scheme).

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<sup>22</sup> Subject to any potential breach of fiduciary duties (in certain circumstances), iCar must notify Carsome if it receives a superior competing proposal and give Carsome five business days to match that competing proposal.

# Annexure 1 - Independent Expert's Report (continued)

## II Scope of our report

### Purpose

- 51 The Scheme is to be effected pursuant to Part 5.1 of the Corporations Act, which governs schemes of arrangement. Part 3 of Schedule 8 of the Corporations Regulations prescribes information to be sent to shareholders in relation to a members' scheme of arrangement pursuant to s411 of the Corporations Act.
- 52 Paragraph 8303 of Schedule 8 of the Corporations Regulations provides that, where the other party to the transaction holds not less than 30% of the voting shares in the company the subject of the scheme, or where a director of the other party to the transaction is also a director of the company the subject of the scheme, the explanatory statement must be accompanied by an IER assessing whether the proposed scheme is in the best interests of shareholders and state reasons for that opinion.
- 53 Although Carsome's relevant interest in iCar shares is less than 30%<sup>23</sup>, iCar and Carsome do have one common director (Mr Patrick Grove) and accordingly, there a legal requirement under the Corporations Act and Corporations Regulations for an IER to be prepared in relation to the Scheme.
- 54 Further, the Scheme is subject to a number of conditions precedent, including an independent expert concluding and continuing to conclude that the Scheme is in the best interests of the Scheme Shareholders. In addition:
- (a) the IBC's recommendation of the Scheme is subject to an independent expert concluding, and continuing to conclude, that the Scheme is in the best interests of the Scheme Shareholders in the absence of a superior proposal
  - (b) as the Scheme is considered a change of control transaction, RG 111 also requires any appointed independent expert to provide an opinion on whether the Scheme is fair and reasonable.
- 55 The IBC has therefore requested LEA to prepare an IER stating whether, in LEA's opinion, the proposed acquisition of the shares in iCar by Carsome under the Scheme is fair and reasonable and in the best interests of the Scheme Shareholders and the reasons for that opinion.
- 56 This report has been prepared by LEA for the benefit of the Scheme Shareholders to assist them in considering the resolution to approve the Scheme. Our report will accompany the Notice of Meeting and Scheme Booklet to be sent to the Scheme Shareholders. The sole purpose of our report is to determine whether, in our opinion, the Scheme is fair and reasonable and in the best interests of the Scheme Shareholders.
- 57 For the avoidance of doubt, this IER is limited to an assessment of the merits of the Scheme from the perspective of the Scheme Shareholders only (i.e. iCar shareholders other than any member of the Carsome Group and the Catcha Entities). We have not separately opined on whether the Scheme is fair and reasonable and in the best interests of the Catcha Entities

<sup>23</sup> Carsome's relevant interest is 29.4% based upon its direct holding of 89,456,448 iCar shares and (pursuant to the Joint Bid Agreement) its indirect interest in the Catcha Entities' remaining interest in 42,905,042 iCar shares.

because Catcha is considered a joint bidder with Carsome and the Catcha Entities' iCar shares are not being acquired under the Scheme and therefore the Catcha Entities will not be entitled to vote on the Scheme.

- 58 The ultimate decision whether to approve the Scheme should be based on each Scheme Shareholder's assessment of their own circumstances. If in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, Scheme Shareholders should seek independent professional advice.

### **Basis of assessment**

- 59 In preparing our report we have given due consideration to the Regulatory Guides issued by ASIC including, in particular, RG 111, which, inter alia, provides guidance as to how an expert should assess the merits of a transaction.
- 60 When an IER is prepared for a scheme that involves a change of control (like the proposed Scheme concerning iCar)<sup>24</sup>, ASIC expects the form of the analysis undertaken by the expert to be substantially the same as for a takeover bid. That is, the expert is required to assess and provide an opinion on whether the scheme is "fair" and "reasonable" to the shareholders of the company which is the subject of the scheme (in addition to the inclusion of a statement as to whether the scheme is "in the best interests" of shareholders, being the opinion required under Part 3 of Schedule 8 of the Corporations Regulations).
- 61 Fairness involves the application of a strict quantitative test that compares the value of the consideration offered against the value of the shares that are the subject of the scheme (assuming 100% ownership of the target company and a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length, noting that any special value that may be derived by a particular "bidder" should not be taken into account<sup>25</sup>). A scheme is "fair" if the value of the scheme consideration is equal to, or greater than the value of the shares that are the subject of the scheme. Fairness effectively measures whether shareholders (in the company the subject of the scheme) are being compensated for the actual (or deemed) change of "control" in ownership.
- 62 Reasonableness involves the consideration of other significant quantitative and qualitative factors that shareholders might consider prior to accepting a proposal (e.g. the bidder's existing shareholding in the company, the likely market price of the company's shares if the scheme is unsuccessful, the likelihood of a superior alternative offer emerging etc.). A scheme is considered "reasonable" if it is "fair". A scheme may also be considered "reasonable" if, despite being "not fair", the expert believes there are sufficient reasons for shareholders to vote in favour of the scheme, in the absence of a superior proposal.
- 63 There is no legal definition of the expression "in the best interests". However, RG 111 notes that if an expert concludes that a scheme is "fair and reasonable", or "not fair but reasonable", then the expert will also be able to conclude that the scheme is "in the best interests" of members of the company.

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<sup>24</sup> A transaction where a person's voting power increases from below 20% to more than 20%, or from a starting point that is above 20% and below 90%.

<sup>25</sup> e.g. synergies that are not available to other bidders.

# Annexure 1 - Independent Expert's Report (continued)

64 Similarly, RG 111 notes that if an expert concludes that a scheme is “not fair and not reasonable”, then the expert would need to conclude that the scheme is “not in the best interests” of members of the company.

65 Having regard to the above, our report therefore considers:

## **Fairness**

- (a) the market value of 100% of the shares in iCar
- (b) the value of the consideration offered by Carsome
- (c) the extent to which (a) and (b) differ (in order to assess whether the Scheme is fair under RG 111)

## **Reasonableness**

- (d) the extent to which a control premium is being paid to the Scheme Shareholders
- (e) the extent to which Scheme Shareholders are being paid a share of any synergies likely to be generated if the Scheme is implemented
- (f) the listed market price of iCar shares, both prior to and subsequent to the announcement of the proposed Scheme
- (g) the likely market price of iCar shares if the proposed Scheme is not implemented (and a comparable or superior proposal does not emerge)
- (h) the value of iCar to an alternative offeror and the likelihood of a higher alternative offer being made for iCar prior to the date of the Scheme meeting
- (i) the advantages and disadvantages of the Scheme from the perspective of the Scheme Shareholders
- (j) other qualitative and strategic issues associated with the Scheme.

## **Limitations and reliance on information**

- 66 Our opinions are based on the economic, sharemarket, financial and other conditions and expectations prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.
- 67 Our report is also based upon financial and other information provided by iCar and its advisers. We understand the accounting and other financial information that was provided to us has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld.
- 68 The information provided was evaluated through analysis, enquiry and review to the extent considered appropriate for the purpose of forming an opinion on the Scheme from the perspective of the Scheme Shareholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit, extensive examination or “due diligence” investigation might disclose. Whilst LEA has made what it considers to be appropriate enquiries for the purpose of forming its opinion, “due diligence” of the type



undertaken by companies and their advisers in relation to (for example) prospectuses or profit forecasts is beyond the scope of an IER.

- 69 Accordingly, this report and the opinions expressed therein should be considered more in the nature of an overall review of the anticipated commercial and financial implications of the Scheme, rather than a comprehensive audit or investigation of detailed matters. Further, this report and the opinions therein, must be considered as a whole. Selecting specific sections or opinions without context or considering all factors together, could create a misleading or incorrect view or opinion. This report is a result of a complex valuation process that does not lend itself to a partial analysis or summary.
- 70 An important part of the information base used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management of the relevant companies. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.
- 71 We in no way guarantee the achievability of budgets or forecasts of future profits. Budgets and forecasts are inherently uncertain. They are predictions of future events which cannot be assured and are necessarily based on assumptions of future events, many of which are beyond the control of management. Actual results may vary significantly from forecasts and budgets with consequential valuation impacts.
- 72 In forming our opinion, we have also assumed that:
- (a) the information set out in the Scheme Booklet is complete, accurate and fairly presented in all material respects
  - (b) if the Scheme becomes legally effective, it will be implemented in accordance with the terms set out in the Agreement and the terms of the Scheme itself.

# Annexure 1 - Independent Expert's Report (continued)

## III Profile of iCar

### Overview









- 73 iCar owns and operates ASEAN's number one network of automotive portals. Headquartered in Kuala Lumpur, Malaysia, the company is focused on developing and operating leading automotive portals in Malaysia, Indonesia and Thailand. The Company's online properties, which include automotive classifieds and news content sites, reach approximately 10 million car buyers and sellers in the region every month.

### History

- 74 iCar was established in 2012 by Catcha. Catcha is a private company that controls a number of publicly listed and private media, new media, online classified and e-commerce businesses and is one of the largest investors in the digital sector in emerging markets, in particular ASEAN markets. Initially iCar owned 50% of the issued shares in Auto Discounts, a Malaysian company that owned the country's largest dedicated car classifieds website (Carlist.my), as well as Malaysian car magazine EVO.
- 75 The Company listed on the Australian Securities Exchange (ASX) in September 2012, following the completion of purchase agreements to acquire:
- (a) the remaining 50% of shares in Auto Discounts
  - (b) Thai automotive content website AUTOSPINN; and
  - (c) Mobil123.com, the leading Indonesian dedicated car classifieds website.
- 76 Since listing on the ASX, iCar has undertaken a number of acquisitions to become the leading automotive portal network in ASEAN's three largest markets (Malaysia, Indonesia and Thailand). These include:
- (a) in early 2013, iCar announced the acquisitions of:
    - (i) Malaysian automotive website Live Life Drive for approximately A\$2 million
    - (ii) Thailand's second largest automotive classifieds site, Thaicar.com, for A\$0.4 million
  - (b) the acquisition of One2car.com, Thailand's largest automotive classifieds site for approximately A\$18 million in November 2014 (including a bonus pool for One2car.com staff). The acquisition was funded by an institutional placement that raised A\$21 million
  - (c) in September 2019, the Company announced the acquisition of Carmudi Indonesia (Carmudi), a multifaceted automotive business, with both new and used car platforms as well as five "Carsentro" locations, which are physical car sales centres that provide a transaction platform for car dealers and car financing businesses. The purchase price was approximately A\$4.4 million (including deferred consideration of A\$1.5 million) and the acquisition more than doubled iCar's existing revenue in the Indonesian market.

### Current operations

77 iCar employs approximately 350 full-time staff in offices in Kuala Lumpur (Malaysia) Bangkok (Thailand) and Jakarta (Indonesia). The Company reports three operating segments, being Malaysia, Indonesia and Thailand, and within these three segments it provides its services through a network of website platforms, which are:

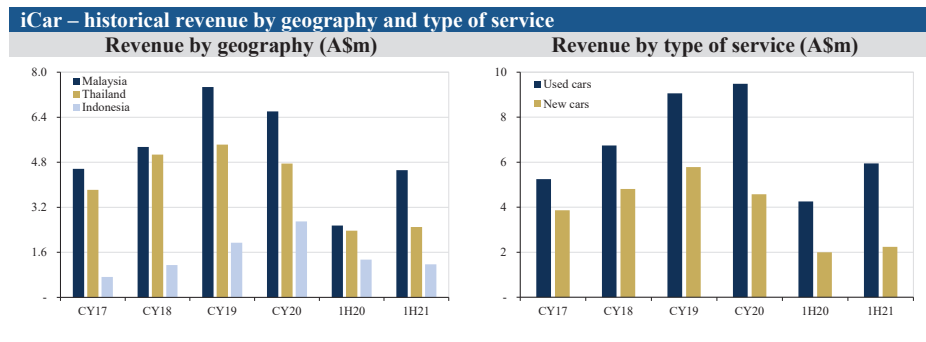
iCar Asia brands <sup>(1)</sup>		
Location	Primary brands	Other brands
Malaysia	 MALAYSIA'S NO.1 CAR SITE	 
Thailand	 THAILAND'S NO.1 CAR SITE	
Indonesia	 PORTAL OTOMOTIF NO. 1	  SPIRIT OF AUTOMOTIVE

**Note:**

1 All brands and websites are as follows: Malaysia: carlist.my, bid.carlist.my, livelifedrive.com. Thailand: one2car.com, autospinn.com, thaicar.com, bid.one2car.com. Indonesia: mobil123.com, flashdeal.mobil123.com, carmudi.co.id, otospirit.com. Group: icardata.icarasia.com.

78 iCar's websites provide classified marketplaces and automotive news content that facilitate the exchange of both used and new cars. Revenue is primarily derived from classified subscriptions and other forms of media or advertising, in addition to revenue earned through commissions for auctions, warranties, inspections, and private seller services as well as proprietary car trading. Its key customers are used and new car dealerships and car manufacturers.

79 The charts below show iCar's historical revenue by geography and type of service over the four years to 31 December 2020 (CY20), as well as the last two corresponding half year periods (i.e. to 30 June 2020 (1H20) and 30 June 2021 (1H21)). As shown below, Malaysia is the largest region for iCar, whilst sales related to services provided for used car sales are higher than those for new car sales:



## Annexure 1 - Independent Expert's Report (continued)

LONERGAN EDWARDS  
& ASSOCIATES LIMITED

- 80 On 21 February 2020, iCar issued guidance for revenue growth of greater than 50% for CY20<sup>26</sup>. However, on 20 March 2020, the Company announced it was assessing the impact of COVID-19 on its financial performance and was withdrawing this guidance<sup>27</sup>. The outbreak of COVID-19 therefore had an immediate impact on the Company's revenue outlook.
- 81 An outline of the impact of COVID-19 lockdowns and restrictions on iCar's operations by segment during CY20 and the year to date (YTD) CY21 is as follows:
- (a) Malaysia:
- (i) CY20 – strict Movement Control Order (MCO) lockdowns were introduced by the Malaysian Government from 18 March 2020 until 25 May 2020 that impacted both used and new car dealers. Post this period the Malaysian economy was gradually opened up, however business and movement restrictions remained in place to the end of CY20. Tax breaks on new and refurbished cars<sup>28</sup> led to supply chain issues and delivery delays which, when combined with budget cuts and the delay of new car releases, reduced advertising revenue for the Company
  - (ii) YTD CY21 – lockdowns under MCO 2.0 were introduced from 13 January 2021 to 4 March 2021. MCO 2.0 restricted social movement as most economic sectors were allowed to operate. MCO 3.0 was introduced from 1 June 2021 to mid-August 2021 and this restricted the operations of used and new car dealers and impacted iCar's Malaysian operations significantly. From mid-August these restrictions were gradually reduced with classified and advertising revenues improving steadily from this point onward
- (b) Thailand:
- (i) CY20 – the Thailand Government announced a general lockdown in April 2020 and asked people to work from home until August 2020. During the lockdown there was also a general restriction on travel, with residents not permitted to move between cities. As a result, iCar's revenue was impacted by a reduction in classified spend as dealers reduced costs to maintain viability, and car manufacturers postponed car launches resulting in lower advertising revenue. These negative revenue impacts continued from May to December 2020
  - (ii) YTD CY21 – from April 2021 work from home restrictions were reintroduced following an increase in the number of COVID-19 cases across the country. As the number of COVID-19 cases continued to increase into the second half of the year, classified and advertising revenue was impacted as car dealers and car manufacturers both scaled back advertising spend
- (c) Indonesia:
- (i) CY20 – from April 2020 large scale social restrictions were introduced by local governments with approval of the Ministry of Health and these restrictions continued for the remainder of CY20. This was further compounded by financing (a key industry driver) first being halted and then only allowed at reduced rates.

<sup>26</sup> See presentation titled *February 2020 iCar Asia update*, released to the ASX on 21 February 2020.

<sup>27</sup> See ASX announcement titled *iCar Asia withdraws financial guidance for FY2020*, dated 20 March 2020.

<sup>28</sup> A sales tax waiver for new and reconditioned motor vehicles commenced from 15 June 2020 and continued into CY21.



This negatively impacted both new and used car dealers (key users of iCar's services) and the Carsentro business

- (ii) YTD CY21 – large scale social restrictions continued, with instructions emanating from the President and sanctions for local Governors if implementation of restrictions were not followed. Financing restrictions also remained in place, whilst a range of vehicle tax waivers commenced for some new car categories. Following increasing numbers of COVID-19 cases across the country, higher levels of restrictions were added in the third quarter of 2021, with all car dealerships closed (except for servicing). In the fourth quarter of 2021 dealerships were allowed to reopen, however at reduced capacity. Accordingly the Indonesian business continues to be impacted from COVID-19.

- 82 Faced with these challenges, iCar took various steps to support its core businesses and also introduced product innovations (such as online booking of cars and virtual automotive events) and intensified interaction with dealers and car makers. The Company also undertook a number of cost containment measures to mitigate the financial impact of COVID-19 (detailed further in paragraph 98).

#### Malaysia

- 83 iCar's Malaysian business consists of three core brands, being Carlist.my, Live Life Drive and Carlistbid.my, with all three integrated into the Carlist.my website. Its websites maintain the market leadership position in Malaysia and have the highest average revenue per account (ARPA) of iCar's operations (around A\$3,192 as of the end of 2019<sup>29</sup>). A summary of the current offering by brand is set out below:

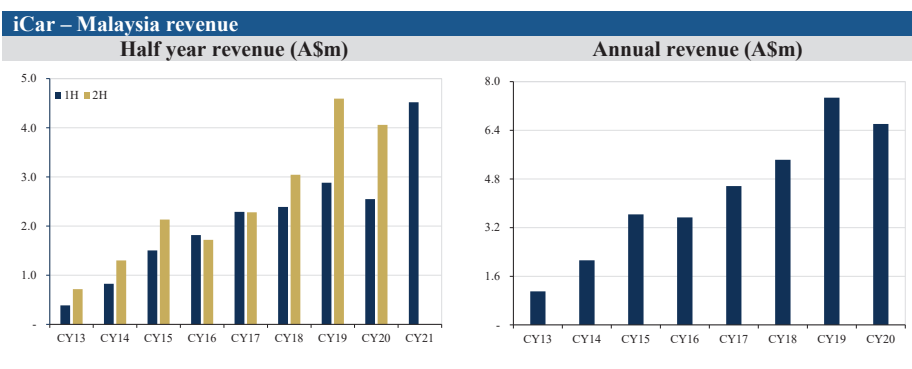
- (a) Carlist.my – a full service classified car marketplace that facilitates the buying and selling of new and used cars. Additionally, Carlist.my facilitates vehicle financing, provides car related news, organises automotive events and undertakes proprietary car trading. The site is available via a web browser and as an app
- (b) Live Life Drive – an automotive news content website, which has been integrated into the Carlist.my website. It provides articles, information and a newsletter on all things car related
- (c) Carlistbid.my – a bidding site for selling used cars to dealers, which enables users to list cars, receive a complimentary inspection as well as advice on valuation, before receiving bids from a pool of certified dealers.

- 84 The annual and semi-annual revenue for Malaysia following listing on the ASX to CY20 / 1H21 is shown in the graphs below:

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<sup>29</sup> This period was undisturbed by the impact of the COVID-19 pandemic.

# Annexure 1 - Independent Expert's Report (continued)

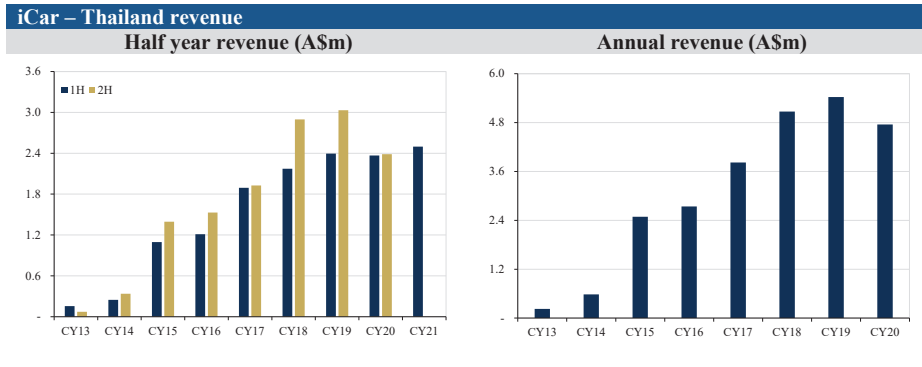


- 85 Over the CY13 to CY19 period (i.e. the period undisturbed by COVID-19), revenue for iCar's Malaysian business increased at a compound annual growth rate (CAGR) of 37.6%. Adopting average exchange rates for each calendar year in order to determine the approximate home currency growth rate results in a slightly lower CAGR of 36.3% over this period.
- 86 Due to COVID-19 and the related restrictions introduced, revenue growth was negatively impacted from CY20, noting that revenue for 1H21 rebounded relatively strongly as restrictions were eased and the business benefited from pent-up demand. This rebound was curtailed toward the end of 1H21 due to the COVID-19 business restrictions (MCO 3.0) being introduced from 1 June 2021, which lasted to mid-August 2021.

## Thailand

- 87 The acquisitions of AUTOSPINN.com in 2012, Thaicar.com in 2013 and One2car.com in 2014 gave iCar the market leadership position in online automotive classifieds in Thailand. On a comparative basis, the Thailand market is less developed than Malaysia, with significantly lower levels of ARPA (approximately \$1,745 per annum as of the end of 2019<sup>30</sup>). The Company's operations in Thailand now consist of two primary brands, which are described in further detail below:
- One2car.com – is Thailand's largest automotive classified site and functions similarly to Carlist.my (i.e. facilitates the buying and selling of new and used cars) and is available via a web browser and as an app; and
  - AUTOSPINN – is a dedicated car and motorcycle website that provides a variety of content for car and motorcycle enthusiasts in Thailand.
- 88 The annual and semi-annual revenue for Thailand following listing on the ASX to CY20 / 1H21 is shown in the graphs below:

<sup>30</sup> Prior to the outbreak of COVID-19.



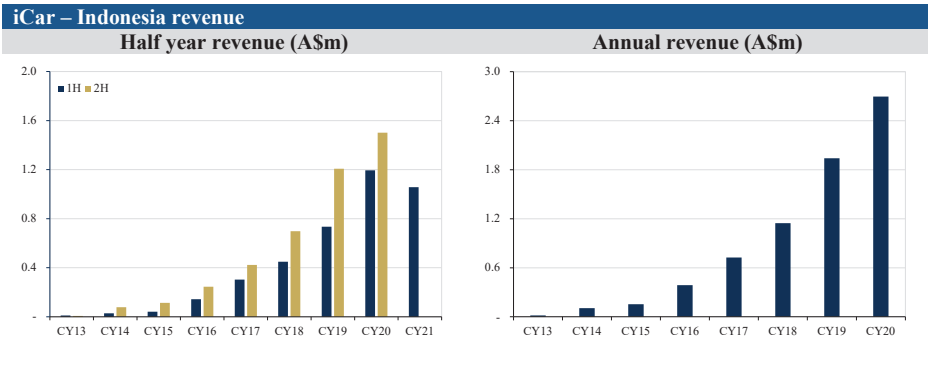
- 89 Following the acquisition of One2car.com in late 2014, iCar’s revenue in Thailand increased significantly. Over the period from CY15 to CY19 (i.e. post the One2car.com acquisition and prior to the start of the COVID-19 pandemic) revenue increased at a CAGR of 21.5%. However, over this period the Thai Baht strengthened against the A\$ and the home currency CAGR for CY15 to CY19 reduces to 16.3% (based on average exchange rates for each calendar year).

**Indonesia**

- 90 The Company’s operations in Indonesia gained additional scale subsequent to the Carmudi acquisition in November 2019, which consolidated iCar’s market leading position. However, ARPA, at around A\$860<sup>31</sup>, is the lowest of the Company’s segments. iCar now currently focuses on two brands in Indonesia, details for which are set out below:
- (a) Mobil123.com – provides a similar service offering to Carlist.my in Malaysia, operating a full service classified car marketplace for used and new cars. The site is available via a web browser and as an app
  - (b) Carmudi – prior to acquisition by the Company, Carmudi was the second largest auto classified site in Indonesia (the largest being Mobil123.com), with a similar offering to Mobil123.com. At the time this business also operated five Carsentro locations (noting that this reduced to four from Q2 2021).
- 91 The annual and semi-annual revenue for Indonesia following listing on the ASX to CY20 / 1H21 is shown in the graphs below:

<sup>31</sup> As of the end of 2019, i.e. prior to the outbreak of COVID-19.

# Annexure 1 - Independent Expert's Report (continued)



92 The Carmudi acquisition completed in November 2019 and hence the 2H19 and CY19 periods include a partial contribution from this business. The reduction in revenue for 1H21 is due to the impact of COVID-19, however the impact of COVID-19 is not evident in the annual revenue chart for CY20 due to the full year contribution from the Carmudi acquisition.

**Technology**

93 iCar’s websites and technology have been integrated into a single code, notwithstanding the various acquisitions over the years. This increases the operational efficiency and facilitates the introduction of new initiatives such as video listings across all three countries simultaneously. Further, the Company’s technology capabilities also enabled it to add new features rapidly in response to COVID-19 (i.e. those more suited to a lockdown environment).

**Strategy**

94 The Company has a vision to provide a digital automotive ecosystem for automobiles, utilising its existing market leading position in automotive portals in Malaysia, Thailand and Indonesia, whilst expanding the breadth of related services. This includes adding transaction services, such as car loan, insurance and warranty origination in partnership with leading existing providers, as well as increasing its data analytical services<sup>32</sup>.

**Financial performance**

95 The financial performance of iCar for the four years to CY20 and 1H21 is set out below:

<sup>32</sup> A current data service initiative in development is iCarData that provides accurate automotive demand data that helps dealers anticipate the fluctuation of vehicle pricing.



<b>iCar – statement of financial performance<sup>(1)</sup></b>					
	<b>CY17</b>	<b>CY18</b>	<b>CY19<sup>(2)</sup></b>	<b>CY20<sup>(2)</sup></b>	<b>1H21<sup>(2)</sup></b>
	<b>A\$m</b>	<b>A\$m</b>	<b>A\$m</b>	<b>A\$m</b>	<b>A\$m</b>
Malaysia revenue	4.6	5.3	7.5	6.6	4.5
Thailand revenue	3.8	5.1	5.4	4.8	2.5
Indonesia revenue	0.7	1.1	1.9	2.7	1.2
<b>Total revenue</b>	<b>9.1</b>	<b>11.6</b>	<b>14.8</b>	<b>14.1</b>	<b>8.2</b>
Cost of goods sold	-	-	(0.6)	(1.2)	(2.1)
<b>Gross profit</b>	<b>9.1</b>	<b>11.6</b>	<b>14.3</b>	<b>12.8</b>	<b>6.1</b>
Operating expenses	(20.9)	(22.9)	(21.7)	(20.2)	(10.1)
<b>Total EBITDA<sup>(3)</sup></b>	<b>(11.8)</b>	<b>(11.3)</b>	<b>(7.4)</b>	<b>(7.3)</b>	<b>(4.1)</b>
Depreciation and amortisation	(1.8)	(2.5)	(3.0)	(3.0)	(1.1)
Net financial income / (expenses)	0.4	0.3	(0.2)	(0.2)	0.4
<b>Loss before tax</b>	<b>(13.3)</b>	<b>(13.5)</b>	<b>(10.6)</b>	<b>(10.5)</b>	<b>(4.8)</b>
Income tax expense	(0.1)	(0.1)	(0.2)	(0.1)	(0.0)
<b>Loss after tax</b>	<b>(13.4)</b>	<b>(13.6)</b>	<b>(10.8)</b>	<b>(10.7)</b>	<b>(4.9)</b>
<i>Malaysia revenue growth</i>	<i>29.2%</i>	<i>16.9%</i>	<i>39.9%</i>	<i>(11.6%)</i>	<i>77.3%<sup>(4)</sup></i>
<i>Thailand revenue growth</i>	<i>39.3%</i>	<i>32.8%</i>	<i>7.0%</i>	<i>(12.4%)</i>	<i>5.5%<sup>(4)</sup></i>
<i>Indonesia revenue growth</i>	<i>87.2%</i>	<i>57.9%</i>	<i>69.4%</i>	<i>38.9%</i>	<i>(12.5%)<sup>(4)</sup></i>
<i>Total revenue growth</i>	<i>36.7%</i>	<i>26.8%</i>	<i>28.4%</i>	<i>(5.3%)</i>	<i>30.9%<sup>(4)</sup></i>

**Note:**

- 1 Rounding differences may exist.
- 2 The CY19, CY20 and 1H21 results exclude the impact of changes required under Australian Accounting Standard AASB 16 – *Leases* (AASB 16). The adoption of AASB 16 requires rent expenses to be replaced by amortisation charges (of the right of use asset) and notional interest expenses (on operating lease liabilities). However, in our view these changes should be excluded as they are an accounting treatment which has no cash flow impact.
- 3 Earnings before interest, tax, depreciation and amortisation (EBITDA) by segment:

Malaysia EBITDA	(1.3)	(0.3)	1.4	1.4	0.6
Thailand EBITDA	(1.1)	(0.6)	(0.0)	0.1	(0.0)
Indonesia EBITDA	(3.8)	(3.4)	(1.6)	(2.3)	(1.4)
Unallocated EBITDA	(5.6)	(7.0)	(7.1)	(6.6)	(3.3)
<b>Total EBITDA</b>	<b>(11.8)</b>	<b>(11.3)</b>	<b>(7.4)</b>	<b>(7.3)</b>	<b>(4.1)</b>
- 4 Growth is in comparison to 1H20.

- 96 Revenue increased at an average rate of 30.6% over the three years to 31 December 2019<sup>33</sup> (i.e. pre the impact of COVID-19). Over this period, losses at the EBITDA level were decreasing, as revenue growth was outpacing cost growth.
- 97 However, FY20 revenue declined by 5.3% due to the COVID-19 related restrictions outlined above, which impacted all three of the Company's countries of operation (to varying degrees). These lockdown measures directly caused disruption to the automotive industry including dealers' activities and indirectly affected consumer sentiment. iCar took various steps to support its core businesses and also introduced product innovations and intensified interaction with customers (both dealers and car makers) to minimise the negative impacts of COVID-19.
- 98 The Company also undertook a number of 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, a hiring freeze and tactical

<sup>33</sup> Noting this included a small contribution from the Carmudi business in 2019, which was acquired effective 10 November 2019.

# Annexure 1 - Independent Expert's Report (continued)

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 7.0% in 2020 (pre AASB 16) to A\$20.2 million, notwithstanding the inclusion of Carmudi's full year cost base for the year<sup>34</sup>.

99 By segment, the results for CY20 were as follows:

- (a) Malaysia – revenue decreased by 11.6% in comparison to CY19 due to lockdown measures, with the Company's physical event business being the most affected. However, EBITDA (of A\$1.4 million) was consistent with the previous year, notwithstanding the reduction in revenue due to COVID-19
- (b) Thailand – revenue decreased by 12.4% in comparison to CY19 due to lockdown measures. However, cost containment measures outweighed the decline in revenue with the business reporting a small profit at the EBITDA level
- (c) Indonesia – the Indonesian business achieved revenue growth of 38.9%, which included a full year contribution from the Carmudi acquisition (acquired effective 10 November 2019). On a like for like basis (i.e. excluding Carmudi), revenue declined by around 16.0% due to the impact of COVID-19.

100 Revenue in 1H21 increased by 30.9% when compared to 1H20, which was primarily attributable to revenue in Malaysia increasing by 77.3% (in comparison to 1H20), as restrictions were eased and the business benefited from pent-up demand. These results were achieved notwithstanding the lingering adverse impact of COVID-19 on all operating countries (with all countries subject to varying degrees of movement control measures that caused business disruption during the half year period).

## Outlook for 2H21

101 Whilst iCar has not provided specific earnings guidance for CY21, the Company provided the following outlook in its 2021 half year results announcement:

*"We have started to see some relaxation of business restriction in our operating countries in Q3 2021 and this bodes well for a strong recovery of all businesses in the second half of 2021 barring any further potential lockdown induced by prevailing Covid-19 situation. We remain confident on the long term prospects of being the preferred partner to the digitization of the ASEAN Automotive Industry."*

## Financial position

102 The financial position of iCar as at 31 December 2020 and 30 June 2021 is set out below:

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<sup>34</sup> The CY19 results included a contribution of almost two months from the Carmudi business.

<b>iCar – statement of financial position<sup>(1)</sup></b>		
	<b>31 Dec 20</b>	<b>30 Jun 21</b>
	<b>A\$m</b>	<b>A\$m</b>
Debtors, prepayments and contract assets	4.1	4.1
Creditors, accruals and provisions	(4.9)	(4.8)
Contact liabilities and indirect taxes	(2.5)	(2.6)
<b>Net working capital</b>	<b>(3.2)</b>	<b>(3.3)</b>
Property, plant and equipment	0.5	0.3
Intangible assets and goodwill	30.6	29.4
Deferred tax liabilities	(0.1)	(0.1)
Right of use assets, net of lease liabilities	(0.0)	(0.1)
Net employee defined benefit liabilities	(0.8)	(0.8)
<b>Total funds employed</b>	<b>27.0</b>	<b>25.4</b>
Cash and cash equivalents	2.2	1.5
Deferred consideration	(0.8)	(0.8)
Interest bearing liabilities (Catcha loan facility)	(1.7)	(4.3)
<b>Net borrowings</b>	<b>(0.4)</b>	<b>(3.6)</b>
<b>Net assets attributable to iCar shareholders</b>	<b>26.6</b>	<b>21.8</b>

**Note:**

1 Rounding differences may exist.

**Going concern**

- 103 In response to the challenges presented by the COVID-19 pandemic the Company successfully implemented cash collection / payment initiatives and cost reduction programs resulting in the net operating cash outflows improving significantly in 1H21 in comparison to the prior corresponding period. However, the Company still incurred a net loss after tax of A\$4.9 million during 1H21 and net cash outflows from operating activities were A\$2.7 million for the period.
- 104 The iCar Directors provided the following commentary in the Company's 1H21 report:
- “... 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 ...”*
- 105 As at 30 June 2021, iCar had access to A\$10 million of undrawn facilities under the Catcha loan facility. These funds are available to be drawn down based on the Company's compliance with the terms and conditions of the facility. This facility is expected to provide the Company with the necessary liquidity to manage its operations over the two years from 30 June 2021.

**Net working capital**

- 106 iCar operates on a negative working capital basis (whereby the level of current liabilities exceeds its current assets). This is due to the Company receiving cash for its services upfront, whilst having the ability to pay its creditors on terms.

# Annexure 1 - Independent Expert's Report (continued)

## Intangible assets and goodwill

107 A summary of iCar's intangible assets and goodwill as at 31 December 2020 and 30 June 2021 is set out below:

iCar – intangible assets and goodwill		
	31 Dec 20	30 Jun 21
	A\$m	A\$m
Goodwill – Malaysian cash generating unit (CGU)	1.8	1.8
Goodwill – Thailand CGU	17.6	16.8
Goodwill – Carmudi CGU	3.0	3.0
AUTOSPINN.com website (Thailand)	0.2	0.1
One2car.com brand (Thailand)	2.5	2.4
Carmudi brand (Indonesia)	0.5	0.5
Customer relationship management platform	1.3	1.3
Websites and app development	3.6	3.4
Other intangibles	0.1	0.1
<b>Total intangible assets and goodwill</b>	<b>30.6</b>	<b>29.4</b>

108 The carrying value of goodwill is tested for impairment in December each year (and when circumstances indicate that the carrying value may be impaired) using the value-in-use method. As at 30 June 2021, pre-tax discount rates of 13.6%, 12.7% and 18.1% were used to discount cash flows for the Malaysian, Thailand and Carmudi CGUs respectively.

109 Internally generated intangible assets are amortised over three to five years<sup>35</sup> and the carrying value of the AUTOSPINN.com website is amortised over 10 years. Brands that the Company plans to continue to operate (i.e. One2car.com and Carmudi) are deemed to have an indefinite life and are therefore not amortised (with these brands tested annually for impairment).

## Net employee defined benefit liabilities

110 In Indonesia, the Company provides a defined benefit plan for its employees who reach the retirement age of 55 years based on the requirements of Indonesian labour law. As at 30 June 2021, these benefits were unfunded and totalled \$0.8 million.

## Deferred consideration

111 As at 30 June 2021, deferred consideration of A\$0.8 million was outstanding in relation to the acquisition of Carmudi, and this amount is net of the warranty claim with the vendors of Carmudi. After allowance for the tax audit assessment (as announced in the Company's 1H21 results) the outstanding deferred consideration has been reduced to \$0.45 million.

## Catcha loan facility

112 iCar's borrowings relate to the Catcha loan facility which has a maturity of 30 June 2023 and consists of two tranches:

- Tranche A – with a limit of A\$5 million, a 3% commitment fee payable on commencement and a commitment fee of 2% per annum on the undrawn balance; and
- Tranche B – with a limit of A\$10 million and a 12% per annum interest rate.

<sup>35</sup> Noting that for CY19 and CY20 the level of amortisation expense for internally generated intangibles (i.e. websites and app development) was either broadly equal to (CY19) or higher than (CY20) the amount of the related capitalised expenditure.



- 113 As of 30 June 2021<sup>36</sup>, the Company had drawn the full A\$5 million available under Tranche A, while the A\$10 million Tranche B facility remained undrawn. The carrying value of the financial liability was A\$4.3 million. Drawdowns are capped at A\$1 million per month unless this limit is amended by mutual consent.

#### Tax losses

- 114 Across the various subsidiary companies that comprise iCar there are substantial tax assets of some A\$68.5 million relating to tax losses from previous years. However, these tax assets have not been recognised on the Company's balance sheet due to uncertainty as to recoverability.

#### Share capital and share price performance

- 115 iCar has some 449.8 million fully paid ordinary shares on issue.

- 116 In addition, iCar has the following outstanding equity instruments:

- (a) 1.0 million options; and
- (b) entitlements (Performance Rights) to be issued (upon vesting) an aggregate of approximately 1.6 million iCar shares.

- 117 These instruments have been issued to (eligible) key management personnel and other selected senior executives in accordance with the Company's equity incentive programs. The iCar Board has also approved, but not yet granted, Performance Rights to be issued (upon vesting) an aggregate of approximately 2.4 million iCar shares.

- 118 In respect of the options and Performance Rights, we note that:

- (a) **options** – the options do not carry any voting or dividend rights and each (vested) option confers upon the holder the entitlement to acquire one iCar share for an exercise price of A\$0.40 per option. All 1.0 million options have vested and must be exercised before their expiry date of 31 December 2021 (else they will lapse)
- (b) **Performance Rights** – do not carry any voting or dividend rights and when vested, entitles the holder to be issued iCar shares for \$nil consideration. The number of Performance Rights granted depends upon the extent to which the performance hurdles have been satisfied over the performance period. Performance Rights then vest 60% in the January following the performance period and 40% in the January 12 months after the performance period. Unvested Performance Rights automatically lapse in the event the participant ceases to be an employee of iCar. In the event of a takeover, or scheme of arrangement (or other change of control event) concerning iCar, the iCar Board has sole and absolute discretion to determine the manner in which unvested Performance Rights will be dealt with.

- 119 iCar and Carsome have agreed to ensure that, by no later than the date of implementation of the Scheme, there are no outstanding options and no outstanding Performance Rights.

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<sup>36</sup> As at 30 September 2021, the amount drawn down on the Catcha loan facility remained at A\$5 million.

# Annexure 1 - Independent Expert's Report (continued)

Section 9.2 of the Scheme Booklet (and Section VI of this report) sets out how the options and Performance Rights will be treated in connection with the Scheme.

## Substantial shareholders

120 Based on filings released on the ASX on or before 2 December 2021, there were five substantial shareholders in iCar, a summary of which is as follows (noting that Catcha and Carsome each have an indirect interest in each other's shareholding as a result of the Joint Bid Agreement):

iCar – substantial shareholders	Shares held	
	Million	% interest <sup>(1)</sup>
Catcha <sup>(2)</sup>	132.4	29.4
Carsome <sup>(2)</sup>	132.4	29.4
Carsales.com Ltd	50.1	11.1
Collins St Asset Management ATF Collins St Value Fund	46.4	10.3
PM Capital Limited Group (PM Capital)	36.4	8.1

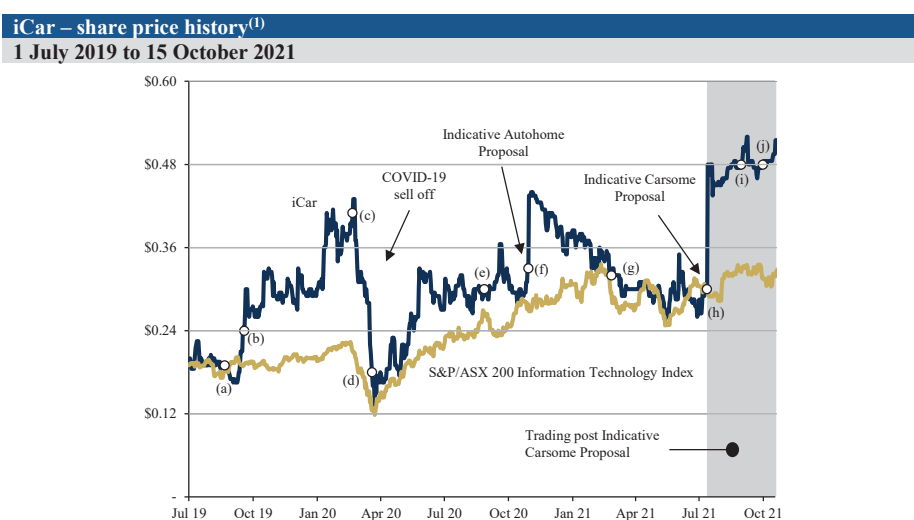
### Note:

- 1 Based upon 449,830,496 iCar shares on issue.
- 2 Catcha and Carsome each hold an interest in 42,905,042 and 89,456,445 iCar shares respectively. As a result of the Joint Bid Agreement, they also have an indirect interest in each other's shareholding.

Source: Section 5.8 of the Scheme Booklet.

## Share price performance

121 The following chart illustrates the movement in the share price of iCar from 1 July 2019 to 15 October 2021<sup>37</sup>:



<sup>37</sup> Being the last trading day prior to the announcement of the Scheme.

**Note:**

1 Based on closing prices. The S&P/ASX 200 Information Technology Index has been rebased to iCar's last traded price on 1 July 2019.

Source: Bloomberg.

122 From 1 July 2019, iCar has outperformed the S&P/ASX 200 Technology Index, notwithstanding being significantly negatively impacted by the COVID-19 related sell off in equity markets in February and March 2020. Key market sensitive announcements during the period are as follows:

- (a) **22 August 2019** – 1H19 results released, reporting revenue of A\$6.0 million
- (b) **19 September 2019** – iCar announced it had entered into an agreement to acquire Carmudi for approximately A\$4.4 million
- (c) **21 February 2020** – the Company released its CY19 results, reporting revenue of A\$14.8 million and positive EBITDA for the first time in its Malaysian business. iCar also issued guidance for revenue growth of greater than 50% for CY20
- (d) **20 March 2020** – as a result of the increased uncertainty arising from the COVID-19 pandemic, iCar withdrew its CY20 earnings guidance
- (e) **28 August 2020** – 1H20 results released, reporting revenue of A\$6.3 million
- (f) **30 October 2020** – iCar announced the receipt of the Indicative Autohome Proposal
- (g) **26 February 2021** – iCar released its (significantly COVID-19 impacted) CY20 results, reporting revenue of A\$14.1 million
- (h) **13 July 2021** – iCar announced that it had received the Indicative Carsome Proposal
- (i) **31 August 2021** – 1H21 results released, reporting revenue of A\$8.2 million
- (j) **1 October 2021** – iCar announced the receipt of the Revised Carsome Proposal.

**Liquidity in iCar shares**

123 The liquidity in iCar shares based on trading on the ASX over the 12 month period up to and including 9 July 2021<sup>38</sup> is set out below:

iCar – liquidity in shares						
Period	Start date	End date	No of shares traded 000	WANOS <sup>(1)</sup> outstanding 000	Implied level of liquidity Period <sup>(2)</sup> %	Annual <sup>(3)</sup> %
1 month	10 Jun 21	9 Jul 21	7,209	440,743	1.6	19.6
3 months	10 Apr 21	9 Jul 21	20,667	438,071	4.7	18.9
6 months	10 Jan 21	9 Jul 21	33,550	437,142	7.7	15.3
1 year	10 Jul 20	9 Jul 21	100,874	434,790	23.2	23.2

**Note:**

1 Weighted average number of shares outstanding (WANOS) during relevant period.

2 Number of shares traded during the period divided by WANOS.

3 Implied annualised figure based upon implied level of liquidity for the period.

Source: Bloomberg and LEA analysis.

<sup>38</sup> Being the last trading day prior to the announcement of the Indicative Carsome Proposal.

## Annexure 1 - Independent Expert's Report (continued)

LONERGAN EDWARDS  
& ASSOCIATES LIMITED

- 124 As indicated above, the annualised level of liquidity in iCar shares has been relatively consistent (over the 12 month period), albeit low in comparison to ASX listed companies generally. This is likely to be partly due to the large parcels of stock that have been closely held by or controlled by the Catcha Entities, Carsales.com Ltd and PM Capital (which have effectively reduced iCar's free float to approximately half its issued capital).



## IV Industry overview

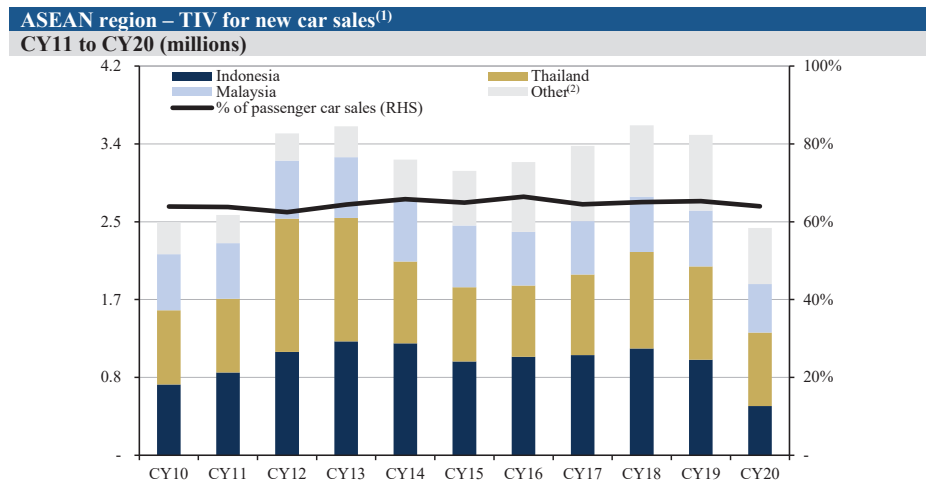
### Overview

125 iCar’s automotive classifieds and related news content sites operate within the automotive sales (both used and new car sales) and online advertising industries in ASEAN’s three largest markets of Malaysia, Thailand and Indonesia. This section therefore focuses on automotive sales in Malaysia, Thailand and Indonesia and the online advertising industry.

### ASEAN automotive sales industry

126 The ASEAN automotive sales industry comprises new and used vehicles for both passenger and commercial vehicles. Data for the transfer of second hand vehicles is not available<sup>39</sup>, however, each year the ASEAN Automotive Federation publishes the total number of new passenger car and commercial vehicle sales, or total industry volume (TIV), for each ASEAN member nation.

127 The composition of TIV between passenger car sales and commercial vehicle sales has been relatively consistent over the 10 years to CY20, with passenger cars representing around 65% of total TIV each year, as shown below:



**Note:**

1 Includes the total annual sales of passenger car vehicles and commercial vehicles across all countries in the ASEAN region excluding Cambodia and Laos.

2 Other includes Vietnam, the Philippines, Singapore, Myanmar and Brunei.

Source: ASEAN Automotive Federation statistics releases for CY10 to CY20 and LEA analysis.

128 The TIV for ASEAN automotive sales experienced a significant decline in CY20 due to the reduction in economic activity across the region from government mandated restrictions introduced to reduce the spread of COVID-19.

129 Growth in vehicle sales has historically been higher in countries with relatively low levels of car ownership. The table below sets out passenger car ownership per 1,000 residents over the

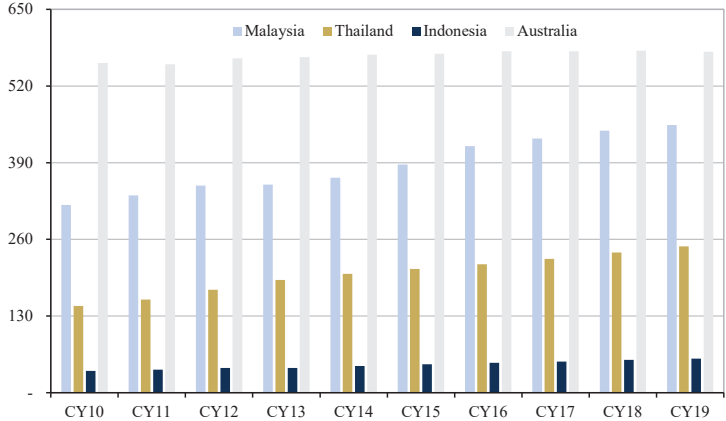
<sup>39</sup> Noting that iCar’s revenue is weighted towards services for the sale of used cars.

# Annexure 1 - Independent Expert's Report (continued)



10 years ended CY19<sup>40</sup> for Malaysia, Thailand and Indonesia, whilst data for Australia has also been included for comparative purposes:

**Passenger cars per 1,000 residents<sup>(1)</sup>**  
**CY10 to CY19**



**Note:**  
 1 Being the total number of registered passenger vehicles divided by total population each year and excludes commercial vehicles.  
**Source:** World Bank (<https://data.worldbank.org>), Statistics, Statistics Indonesia (<https://www.bps.go.id/indikator/17/57/1/perkembangan-jumlah-kendaraan-bermotor-menurut-jenis.html>), ASEAN Statistics Division Data Portal (<https://data.aseanstats.org/>), and Australian Bureau of Statistics: *Motor Vehicle Census* reports for the CY15 to CY20.

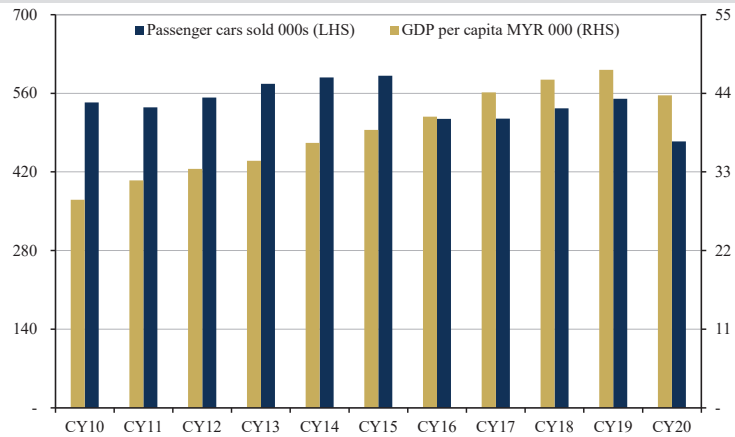
130 Growth in the middle class population is another factor that underpins sales growth across each region, in addition to industry support provided by governments through policies aimed at increasing car ownership.

**Malaysia**

131 Malaysia is one of the more developed countries in the ASEAN region, and has the highest gross domestic product (GDP) per capita of iCar’s countries of operation. However, the sale of new passenger cars has been relatively volatile and has not kept pace with the increase in GDP per capita over the 10 years to CY19 (i.e. pre the impact of COVID-19), as shown in the chart below:

<sup>40</sup> The latest available data.

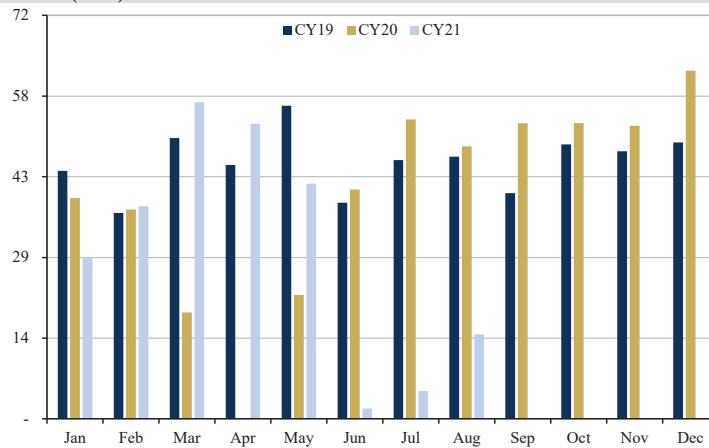
**Malaysia – passenger car sales and GDP per capita<sup>(1)</sup>  
CY11 to CY20**



Source: World Bank website (<https://data.worldbank.org>), ASEAN Automotive Federation statistics releases for CY10 to CY20 and LEA analysis.

- 132 The number of passenger cars sold in CY20 was the lowest in a decade, with car sales highly influenced by government mandated lockdowns and related restrictions in response to COVID-19, as shown in the following monthly chart from January 2019 to August 2021:

**Malaysia – monthly passenger car sales  
Sales per month (000s)**



Source: Malaysian Automotive Association statistics releases for CY19 to August 2021.

- 133 At the onset of the COVID-19 pandemic, Malaysia experienced a significant decrease in monthly passenger car sales, which fell from 37,359 vehicles in February 2020 to just 133 vehicles in April 2020<sup>41</sup> following the introduction of MCO restrictions. However, the

<sup>41</sup> Source: Malaysian Automotive Association statistics release for CY20.

# Annexure 1 - Independent Expert's Report (continued)

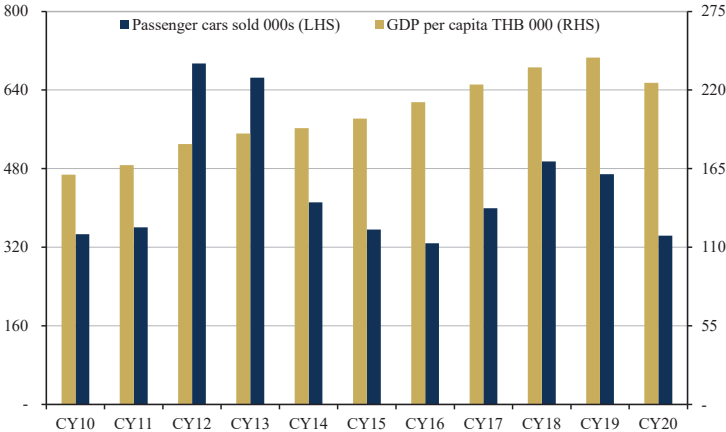


Malaysian Government was quick to respond with industry support, announcing an exemption to passenger car sales tax in June 2020 as part of its broader COVID-19 relief policy<sup>42</sup>. The announcement led to a significant turnaround in passenger car sales, which continued into early 2021. However sales volumes declined again in June 2021, after the introduction of MCO 3.0 restrictions in response to rising daily COVID-19 cases in the region.

**Thailand**

134 GDP per capita for Thailand increased at a CAGR of 5.3% over the 10 years ended CY19 (i.e. pre the impact of COVID-19). New passenger car sales have been volatile over the same period, primarily due to the Thailand Government's introduction of the first car buyers' scheme in September 2011, which had the effect of significantly increasing new car sales in CY12 and CY13 (refer paragraph 135 below), as well as reducing sales in subsequent years:

**Thailand – passenger car sales and GDP per capita  
CY11 to CY20**



Source: World Bank (<https://data.worldbank.org>), ASEAN Automotive Federation statistics releases for CY10 to CY20 and LEA analysis.

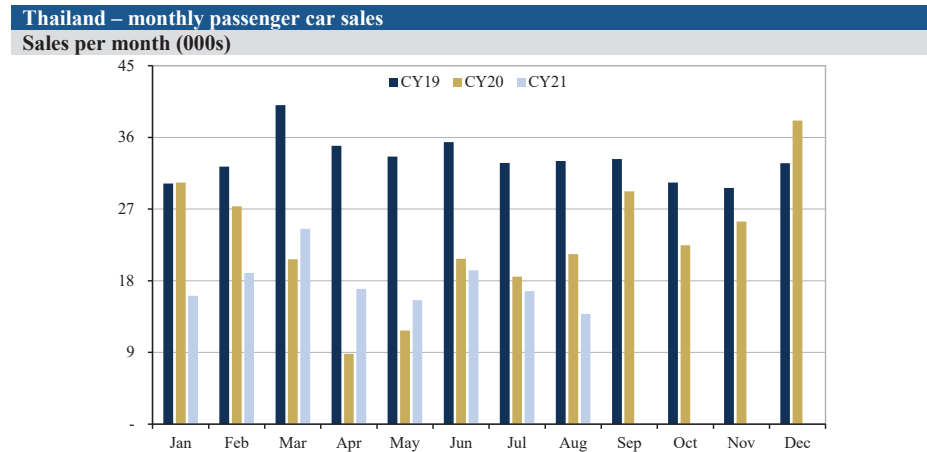
135 In September 2011, the Thailand Government introduced the first car buyers' scheme, a program that allowed residents purchasing their first vehicle to claim a tax rebate in the year following the purchase, provided the vehicle was owned for at least five years. This resulted in a significant increase in new car sales, with more than one million new car owners registering for the scheme in the period to December 2012<sup>43</sup>. The scheme ended in March 2013, however strong demand for new cars continued for the remainder of CY13<sup>44</sup>. Passenger car sales declined over the next three years and did not return to growth until CY17 (which coincided with the end of the first car buyers' scheme's mandatory five year holding

<sup>42</sup> Source: Paultan.org: *100% sales tax exemption on new CKD cars, 50% exemption for CBU until end of the year – PM* (<https://paultan.org/2020/06/05/100-sales-tax-exemption-on-new-ckd-cars-50-exemption-for-cbu-until-end-of-the-year-pm/>).  
<sup>43</sup> Source: Bangkok Post: *Fuming over first-car scheme* (<https://www.bangkokpost.com/opinion/opinion/328065/fuming-over-first-car-scheme>).  
<sup>44</sup> Likely sustained by a backlog of unfulfilled orders resulting from severe flooding that affected most of Thailand from July 2011 to January 2012. Source: Autoindustriya: *Thailand 2012 auto sales up by 80.9%* (<https://www.autoindustriya.com/auto-industry-news/thailand-2012-auto-sales-up-by-80-9-percent.html>).



period), with growth continuing in CY18 before plateauing in CY19 (i.e. prior to the outbreak of COVID-19).

- 136 Passenger car sales reduced following the outbreak of COVID-19, and have remained low in YTD CY21 as shown below:



Source: The Federation of Thai Industries statistics releases for CY19 to August 2021.

- 137 Notwithstanding reporting relatively low COVID-19 case numbers, the Thailand Government instituted a state of emergency in March 2020, which was extended to the end of July 2021<sup>45</sup>. This resulted in a significant decline in passenger car sales from April to August 2020 (compared to the prior corresponding month), with sales recovering in December 2020. However, due to an increasingly uncertain economic outlook<sup>46</sup>, demand for new passenger vehicles in Thailand has remained low in YTD CY21 relative to recent years.

#### Indonesia

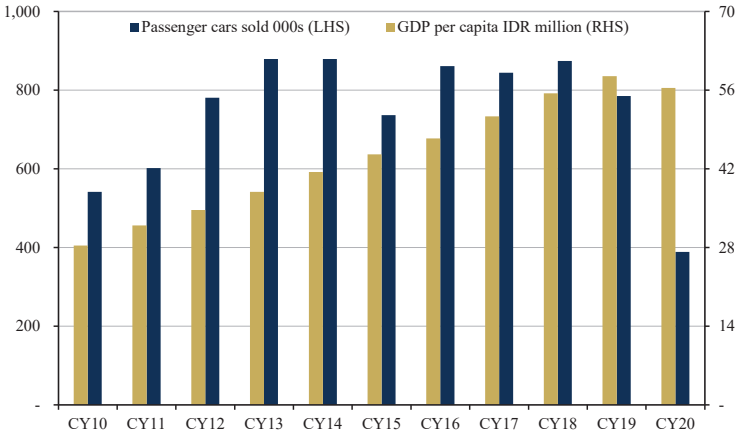
- 138 GDP per capita for Indonesia has grown by 9.6% per annum over the 10 years ended CY19 (i.e. pre the impact of COVID-19). Whilst passenger cars sales grew significantly over the three years to CY13, there has been no growth in sales since this peak, as shown in the following chart:

<sup>45</sup> Source: International Monetary Fund website (<https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#M>).

<sup>46</sup> LMC Automotive (2021): *ASEAN Light Vehicle Sales Updated September 2021* report.

# Annexure 1 - Independent Expert's Report (continued)

**Indonesia – passenger car sales and GDP per capita<sup>(1)</sup>  
CY11 to CY20**



Source: World Bank (<https://data.worldbank.org>), ASEAN Automotive Federation statistics releases for CY10 to CY20 and LEA analysis.

- 139 Passenger car sales in Indonesia appear to have been influenced by a number of initiatives introduced by the Indonesian Government and Indonesian central bank (Bank Indonesia), including<sup>47</sup>:
- (a) interest rate cuts – in February 2012, Bank Indonesia reduced interest rates to a record low (at the time). The combination of lower rates at a time when Indonesians were experiencing a surge in personal income<sup>48</sup> contributed to a significant increase in passenger car sales in CY12
  - (b) Low Cost Green Car initiative – in CY13, the Indonesian Government introduced an initiative that provided sales tax exemptions and manufacturer rebates for low cost, locally made vehicles, which increased new car sales in CY13 and CY14
  - (c) fuel subsidies – the Indonesian Government effectively removed its fuel subsidy program in early CY15, resulting in a significant increase in fuel prices. Higher fuel prices accelerated inflation and decreased the purchasing power of Indonesian residents<sup>49</sup>, contributing to a reduction in car sales in CY15
  - (d) change in minimum deposit requirements – in CY15, Bank Indonesia revised the down payment requirement for purchasing a new vehicle from 30% to 25%, which helped increase passenger car sales in CY16.
- 140 New passenger car sales in Indonesia decreased by approximately 50.5% in CY20, compared to a decrease of 26.7% and 13.8% respectively in Thailand and Malaysia. In part, this was due to Indonesia having a significantly higher rate of COVID-19 infections than Thailand and

<sup>47</sup> Source: Indonesian Investments: *Automotive Manufacturing Industry Indonesia* (<https://www.indonesia-investments.com/business/industries-sectors/automotive-industry/item6047>) unless sourced otherwise.

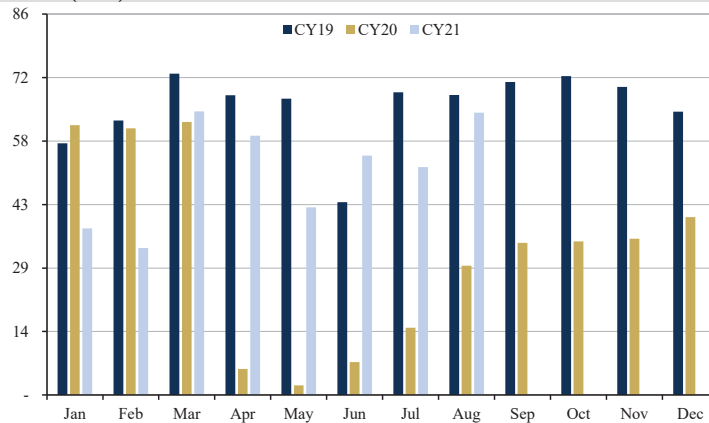
<sup>48</sup> Source: Global Business Guide: *Indonesia's Automotive Industry* ([http://www.gbgingonesia.com/en/manufacturing/article/2014/indonesia\\_s\\_automotive\\_industry.php](http://www.gbgingonesia.com/en/manufacturing/article/2014/indonesia_s_automotive_industry.php)).

<sup>49</sup> Due to second round effects of rising costs for goods as a result of higher transport costs.

Malaysia. The nation also lagged behind Thailand and Malaysia in terms of government financial support, with the Indonesian Government providing stimulus measures that were equivalent to approximately 3.8% of GDP, compared to Thailand and Malaysia, which disbursed government payments equal to approximately 9.6% and 5.0% of the respective countries' GDP<sup>50</sup>.

- 141 New passenger car sales volumes began to recover at the end of the first quarter of CY21, however the recovery was (until around August 2021) inhibited by the onset of the Delta variant driven second wave of COVID-19, as shown below:

**Indonesia – monthly passenger car sales**  
Sales per month (000s)



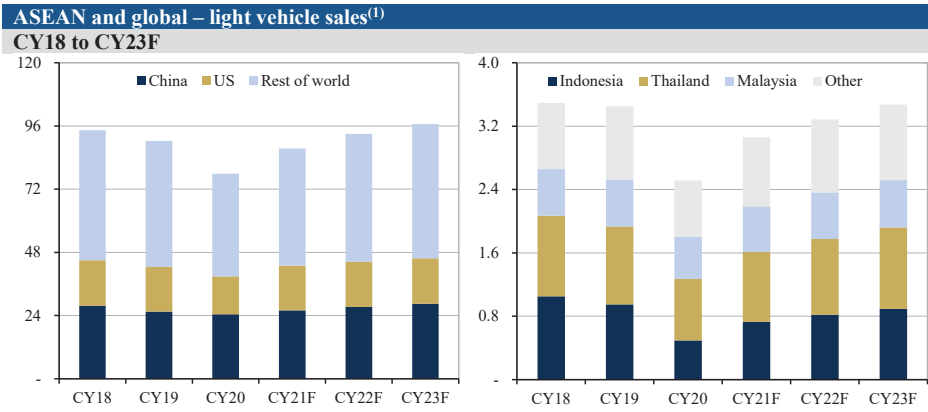
Source: The Association of Indonesia Automotive Industries statistics releases for CY19 to August 2021.

## Outlook

- 142 The ASEAN region was more severely impacted by the COVID-19 outbreak compared to the rest of the world, and annual light vehicle sales volumes are not expected to recover to pre-pandemic levels until CY23, a year later than that for global light vehicle sales, as shown below:

<sup>50</sup> Being COVID-19 fiscal stimulus provided within each country in CY20, noting that further spending was announced in Indonesia in CY21. Source: International Monetary Fund website <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#M>.

# Annexure 1 - Independent Expert's Report (continued)



**Note:**  
 1 Data includes light vehicles defined as passenger cars and light commercial vehicles with a gross vehicle weight under 5.5 tonnes. The data for Thailand sales includes trucks and buses in CY18, CY19 and CY20.  
**Source:** MarkLines Automotive Industry Portal (2021): *ASEAN sales to grow to 3.6 million units in 2024* report.

- 143 Notwithstanding the above, the ASEAN region is expected to remain among the fastest-growing markets in the world for new vehicle sales<sup>51</sup>. The easing of restrictions and reopening of economies is expected to drive recovery in the short term, with growth in the long term underpinned by a number of key factors including:
- (a) favourable demographics – growth in the middle class population and continued urbanisation across the region are expected to be significant drivers for vehicle demand. The ASEAN region’s middle class is forecast to more than double in size from approximately 135 million currently (24% of the ASEAN population) to some 334 million (51% of the population) by CY30<sup>52</sup>
  - (b) industry support from governments – the automotive sector is a significant contributor to ASEAN GDP as the region is a major production hub for a number of global car manufacturers (particularly Japanese brands). Governments are therefore incentivised to continue to provide industry support, either directly to producers through a reduction in taxes on vehicle sales, or to consumers through stimulus measures aimed at increasing domestic car sales.

**Global chip shortage**

144 The onset of the COVID-19 pandemic resulted in a surge in demand for electronics, driven by consumers and businesses purchasing new equipment to facilitate the sudden requirement to access work and schooling remotely. Due to the disruption to production caused by regional lockdowns and travel restrictions, chip manufacturers found it difficult to meet the sudden increase in demand, resulting in a global shortage of semiconductor chips that are used across a range of electronic products. This affected a number of industries, including new vehicle production, with manufacturers across the ASEAN region forced to shut down facilities for a

<sup>51</sup> MarkLines Automotive Industry Portal (2021): *ASEAN sales to grow to 3.6 million units in 2024* report.  
<sup>52</sup> US-ASEAN Business Council, Inc: *ASEAN’s Economy is Projected to Growth by over 5.5% per Year and Become the 4<sup>th</sup> Largest Economy in the World by 2050* (<https://www.usasean.org/why-asean/growth>).



number of weeks in CY20 due to a lack of components<sup>53</sup>. The shortage of new car inventory has also led to increased demand for used cars.

- 145 The global chip supply shortage is expected to persist into CY22, affecting certain industries more than others. For instance, production of goods that are less reliant on sophisticated chips, such as home appliances, are expected to recover earlier than new vehicle production, which require integrated circuit chips that are also commonly used in consumer electronics. Whilst global demand for new vehicles recovered earlier than expected, the lack of commercial incentive for manufacturers to prioritise automotive chip production is expected to impede recovery in new vehicle production in the short term.

#### Online ecommerce<sup>54</sup>

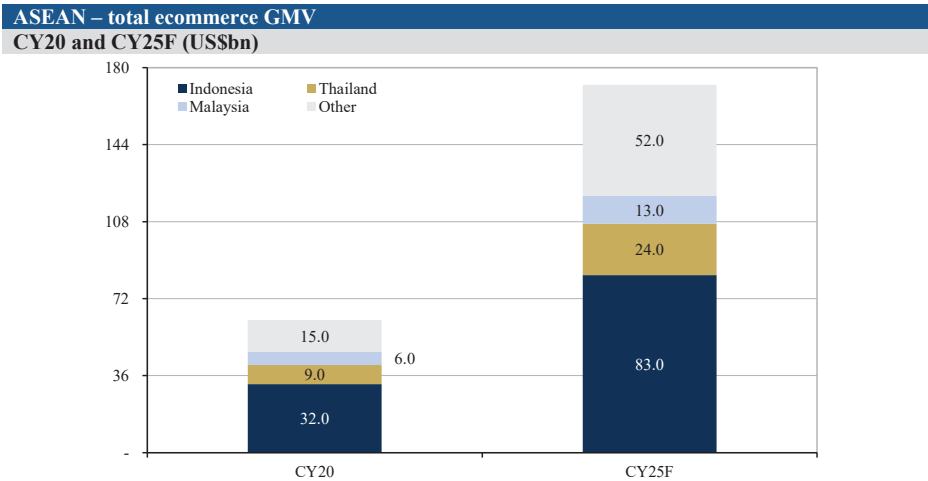
- 146 Whilst it is difficult to measure the size of the online automotive sales market across the ASEAN region each year, growth is influenced by the same factors that affect the broader ecommerce market, such as rising levels of internet access and mobile connectivity in each country, which is primarily driven by, inter alia, increases in household income and decreases in costs related to hardware devices and internet access plans.
- 147 A recent report published by Google, Temasek, and Bain & Company indicates that total internet users across the six major ASEAN regions<sup>55</sup> increased at a CAGR of approximately 9% over the five years ended CY20. Growth was enhanced by a significant increase in internet use resulting from COVID-19, which saw the region's internet penetration rate reach approximately 70% in CY20, after some 40 million people accessed the internet for the first time.
- 148 ASEAN's ecommerce market, measured by total gross merchant value (GMV), increased to US\$62 billion in CY20 from US\$5 billion just five years earlier. This was driven by a growing online population, rising incomes, and increasing regulatory support for ecommerce. Continuous improvement in digital infrastructure and the accelerated digitisation of businesses due to COVID-19 is providing momentum for growth in the region, with total GMV expected to rise at a CAGR of approximately 22.6% to some US\$172 billion over the five years ended CY25, as indicated below:

<sup>53</sup> Source: <https://techmonitor.ai/technology/chip-shortage-tsmc-samsung-us-uk-taiwan-automotive>.

<sup>54</sup> Google, Temasek, and Bain & Company (2020): *e-Conomy SEA 2020: At full velocity: Resilient and racing ahead* report unless otherwise referenced.

<sup>55</sup> Being Indonesia, Philippines, Vietnam, Thailand, Malaysia, and Singapore.

# Annexure 1 - Independent Expert's Report (continued)



Source: Google, Temasek, and Bain & Company (2020): *e-Economy SEA 2020: At full velocity: Resilient and racing ahead* report.

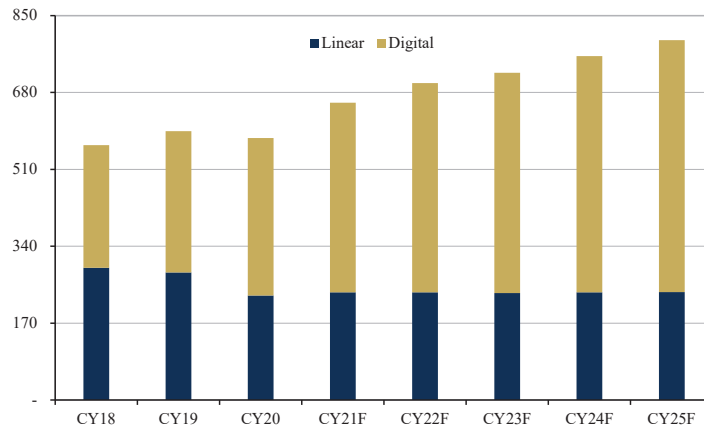
149 Whilst high growth levels are forecast across all countries within the ASEAN region, Indonesia is expected to experience the highest growth rate out of iCar’s markets, with GMV forecast to increase at a CAGR of 45.1% over the five years ended CY25. Thailand and Malaysia are both expected to outpace growth in the broader ASEAN region, with GMV forecast to rise at CAGRs of 37.4% and 29.2% respectively over the same period.

### Online advertising

- 150 The primary forms of online advertising are online search (using search engines such as Google), online display advertising and online classifieds (websites that aggregate classified advertisements such as for real estate, cars and jobs). iCar’s revenue is primarily related to online classified advertising and online display advertising for the countries in which it operates (i.e. Malaysia, Thailand and Indonesia).
- 151 The online segment of the global advertising market has recently benefited from accelerated growth as a result of the COVID-19 driven increase in ecommerce. Annual digital advertising revenue<sup>56</sup> increased by approximately 11.2% in the year ended CY20, significantly outperforming revenue from linear advertising<sup>57</sup>, which decreased by approximately 18.0% due to a reduction in global spend across traditional advertising channels<sup>58</sup>. Overall global advertising revenue declined by approximately 2.6% to some US\$579.0 billion in CY20, however growth is expected to resume in CY21, led by strong performance from the digital advertising segment, as shown below:

<sup>56</sup> Digital advertising includes revenue from advertising across digital channels including search engines, online videos, website banners, social media, and mobile platforms.  
<sup>57</sup> Linear advertising includes revenue from advertising through traditional channels including non-digital television, radio, cinema and print, as well as out of home media such as billboards and stadium banners.  
<sup>58</sup> MAGNA Global (2021): *Global Advertising Forecasts June 2021* media release.

**Global advertising revenue<sup>(1)</sup>  
CY18 to CY25F (US\$bn)**



**Note:**

<sup>1</sup> Data for CY20, CY21, and CY22 has been updated based on revised forecasts released in June 2021.

**Source:** MAGNA Global (2020): *Global Advertising Landscape Winter 2020 report* and *Global Advertising Forecasts June 2021* media release and LEA analysis.

- 152 Digital advertising revenue is expected to increase by approximately 20.4% to US\$419 billion over the year to CY21, increasing its share of total advertising revenue to 63.8% from 48.1% in CY18. Digital advertising is expected to continue to increase its share of the total global advertising market (to 70.0% by CY25), due to changes in lifestyles, media consumption and business models post COVID-19 that are expected to accelerate the adoption of digital marketing, as well as increasing levels of ecommerce.

# Annexure 1 - Independent Expert's Report (continued)

## V Valuation methodology

### Valuation approaches

- 153 RG 111 outlines the appropriate methodologies that a valuer should consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:
- (a) the discounted cash flow (DCF) methodology
  - (b) the application of earnings multiples appropriate to the businesses or industries in which the company or its profit centres are engaged, to the estimated future maintainable earnings or cash flows of the company, added to the estimated realisable value of any surplus assets
  - (c) the amount that would be available for distribution to shareholders in an orderly realisation of assets
  - (d) the quoted price of listed securities, when there is a liquid and active market and allowing for the fact that the quoted market price may not reflect their value on a 100% controlling interest basis
  - (e) any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.
- 154 Under the DCF methodology the value of the business is equal to the net present value (NPV) of the estimated future cash flows including a terminal value. In order to arrive at the NPV the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.
- 155 Methodologies using capitalisation multiples of earnings or cash flows are commonly applied when valuing businesses where a future “maintainable” earnings stream can be established with a degree of confidence. Generally, this applies in circumstances where the business is relatively mature, has a proven track record and expectations of future profitability and has relatively steady growth prospects. Such a methodology is generally not applicable where a business is in start-up phase, has a finite life, or is likely to experience a significant change in growth prospects and risks in the future.
- 156 Capitalisation multiples can be applied to either estimates of future maintainable operating cash flow, EBITDA, earnings before interest, tax and amortisation (EBITA), earnings before interest and tax (EBIT) or net profit after tax. The appropriate multiple to be applied to such earnings is usually derived from stock market trading in shares in comparable companies which provide some guidance as to value and from precedent transactions within the industry. The multiples derived from these sources need to be reviewed in the context of the differing profiles and growth prospects between the company being valued and those considered comparable. When valuing controlling interests in a business an adjustment is also required to incorporate a premium for control. The earnings from any non-trading or surplus assets are excluded from the estimate of the maintainable earnings and the value of such assets is separately added to the value of the business in order to derive the total value of the company.
- 157 An asset based methodology is applicable in circumstances where neither a capitalisation of earnings nor a DCF methodology is appropriate. It can also be applied where a business is no longer a going concern or where an orderly realisation of assets and distribution of the



proceeds is proposed. Using this methodology, the value of the net assets of the company are adjusted for the time, cost and taxation consequences of realising the company's assets.

### **Methodologies selected**

- 158 The market value of the shares in iCar has been assessed by aggregating the market value of its business operations (on a "control" basis), together with the realisable value of any surplus assets / (liabilities) and deducting net borrowings.
- 159 The valuation of iCar's business operations has been made on the basis of market value as a going concern, defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length within a reasonable timeframe.
- 160 The DCF methodology has been adopted as the primary method to determine the market value of iCar's business operations. The key reasons for adopting this method are:
- (a) iCar is not currently profitable and it is therefore not possible to assess its value based upon a capitalisation of earnings approach
  - (b) the COVID-19 pandemic is likely to continue to impact iCar in the short term
  - (c) iCar management expect the Company to experience significant growth in revenue in over the medium term and ultimately become profitable
  - (d) financial forecasts for the short-to-medium term have been prepared by iCar management, which we have reviewed in detail and amended where appropriate (such that we consider them sufficiently reliable for valuation purposes)
  - (e) relative to other valuation approaches, the DCF methodology more accurately measures the quantum and timing of the forecast recovery and subsequent growth in the business.
- 161 As a cross-check on our assessed value of iCar's business operations, we have considered the reasonableness of the revenue multiples implied by our adopted DCF valuation range.
- 162 We have also cross-checked our valuation of iCar by comparing our assessed value of the equity in iCar (on a per share basis) with the "undisturbed" listed market prices of iCar shares on the ASX, adjusted for a premium for control.

# Annexure 1 - Independent Expert's Report (continued)

## VI Valuation of 100% of iCar

### Overview

- 163 As stated in Section V, the market value of the shares in iCar has been assessed by aggregating the market value of its business operations (on a “control” basis), together with the realisable value of any surplus assets / (liabilities) and deducting net borrowings.
- 164 The valuation of iCar’s business operations has been made on the basis of market value as a going concern, defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm’s length within a reasonable timeframe.
- 165 The DCF methodology has been adopted as the primary method to determine the market value of iCar’s business operations. As a cross-check, we have considered the reasonableness of the revenue multiples implied by our adopted DCF valuation range.
- 166 We have also cross-checked our valuation of iCar by comparing our assessed value of the equity in iCar (on a per share basis) with the “undisturbed” listed market prices of iCar shares on the ASX, adjusted for a premium for control.

### DCF valuation

- 167 Under the DCF methodology, the market value of iCar’s business operations is equal to the NPV of the estimated future cash flows including a terminal value (TV). In order to arrive at the NPV, the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.

### Cash flow projections

- 168 Our DCF valuation is based on the detailed free cash flow projections prepared by iCar management. The cash flow projections are based upon a “bottom up” approach whereby iCar management have modelled the projected financial performance of the individual businesses within each of its geographic regions (as well as corporate costs). The cash flow projections cover the six year period from 1 January 2022 to 31 December 2027.
- 169 Notwithstanding management’s detailed approach, we note that the projected financial performance for iCar is primarily driven by growth in the following individual business operations:
- (a) **Classified** – earnings derived from the collection of subscription account fees and the sale of listing feature products to users across each of iCar’s classified sites. The projections reflect significant growth in listings and feature product revenue over the forecast period
  - (b) **Media** – earnings derived from selling online advertising space across iCar’s desktop and mobile platforms. In particular, the projections reflect strong growth in mobile advertising revenue over the forecast period
  - (c) **Events** – earnings derived from the organisation of automotive events in each region. The projections reflect a return to pre COVID-19 activity in CY22 followed by annual growth in revenue each year to CY27

- (d) **Carsentro (Indonesia only)** – this business was acquired as a part of Carmudi in late 2019, and includes earnings derived from the collection of registration fees, rent and maintenance of lots rented to used car dealers as well as loan commissions generated from arranging financing for vehicles sold out of each lot. The projections include expansion of the Carsentro business as new sites are added.
- 170 LEA has taken a detailed review of each of the individual components modelled by iCar to satisfy itself that the forward looking information was prepared on a reasonable basis and therefore sufficiently reliable for valuation purposes. Our review included (but was not limited to):
- (a) discussions with iCar management regarding the business’ financial performance, operating environment and prospects as well as the financial modelling process adopted by the Company
  - (b) detailed analysis of the key assumptions which underpinned the cash flow projections prepared by iCar and (where possible) comparison of the projections against the historic performance achieved by the Company. Examples of the type of analysis undertaken include:
    - (i) analysis and comparison of forecast growth in revenue (by type) as well as EBITDA margins against those historically achieved by each individual business for each operating region
    - (ii) consideration of the growth relative to historic rates implied by the projected number of dealer classified accounts, website pageviews, mobile ad penetration rates and events held each year
    - (iii) comparison of projected rates to observed historic rates for a number of revenue streams, including subscription and feature revenue per online dealer account, revenue per event held, revenue per vehicle sold and auction revenue per deal
    - (iv) comparison of forecast capital expenditure and working capital requirements relative to iCar’s historic requirements
    - (v) adjustment of the projections where considered necessary.
- 171 Based upon the above, nothing came to our attention that would indicate that the projections (as adjusted) could not be relied upon for valuation purposes. That said, it should be noted that:
- (a) the major assumptions underlying the projections were formulated in the context of current economic, financial and other conditions (noting that there remains uncertainty regarding the ongoing economic impact of the COVID-19 pandemic)
  - (b) the projections and the underlying assumptions have not been reviewed by an investigating accountant for reasonableness or accuracy of compilation and application of assumptions
  - (c) future profits and cash flows are inherently uncertain
  - (a) the achievability of the projections is not warranted or guaranteed by iCar or LEA, as they are predictions of future events that cannot be assured and are necessarily based on assumptions, many of which are beyond the control of iCar and its management

# Annexure 1 - Independent Expert's Report (continued)

(b) actual results may be significantly more or less favourable.

- 172 Free cash flow represents the operating cash flows on an ungeared basis (i.e. before interest) less taxation payments, capital expenditure and working capital requirements. Free cash flow on an ungeared basis is adopted to enable the value of the business to be determined irrespective of the level of debt funding employed.
- 173 For valuation purposes we have assumed a valuation date of 31 December 2021. A TV has also been adopted at the end of the forecast period (being 31 December 2027).
- 174 As the detailed cash flow projections are commercially sensitive they have not been set out in our report. However, information on the major assumptions underlying the free cash flow projections is set out below.

## Revenue and EBITDA

- 175 The major base case assumptions underlying the CY22 to CY27 revenue and EBITDA<sup>59</sup> forecasts are set out below:

iCar – revenue and EBITDA <sup>(1)</sup> forecasts	
Region	Base case assumptions
Malaysia	<ul style="list-style-type: none"><li>Higher revenue and EBITDA in CY22 and CY23 relative to historic levels (albeit adjusted to reflect the impact of COVID-19)</li><li>Revenue CAGR of approximately 20.0% per annum over CY24 to CY27</li><li>EBITDA margin expansion to just over 35.0% in CY27</li></ul>
Thailand	<ul style="list-style-type: none"><li>Higher revenue and EBITDA in CY22 and CY23 relative to historic levels (albeit adjusted to reflect the impact of COVID-19)</li><li>Revenue CAGR of approximately 17.0% per annum over CY24 to CY27</li><li>EBITDA margin expansion to approximately 40.0% in CY27</li></ul>
Indonesia	<ul style="list-style-type: none"><li>Lower revenue (compared to historic levels) in CY22, followed by increasing revenue in CY23 (both CY22 and CY23 have been adjusted to reflect the impact of COVID-19)</li><li>Revenue CAGR of approximately 20.0% per annum over CY24 to CY27</li><li>EBITDA margin expansion to just over 45.0% in CY27</li></ul>

### Note:

- 1 The EBITDA margins discussed are inclusive of public company costs associated with being listed on the ASX, notwithstanding that these costs have been deducted for valuation purposes.

## Potential synergies

- 176 If the Scheme is approved and implemented, iCar will be delisted from the ASX, resulting in the elimination of listed public company costs (e.g. director fees, listing fees, share registry fees, shareholder communication costs etc). iCar management have provided us with an estimate of these savings in the range of \$1.5 million to \$1.9 million per annum (in CY21 dollar terms)<sup>60</sup>.

<sup>59</sup> The cash flow projections have been prepared on a post-AASB 16 basis and are impacted by accounting adjustments for leases (which replace rent costs with the amortisation of right to use assets and notional interest costs). For the purposes of our valuation we have adjusted cash flows based upon the estimated AASB 16 impacts on lease costs and depreciation provided by iCar management to reflect EBITDA on a pre-AASB 16 basis.

<sup>60</sup> The implementation costs associated with achieving the synergies are considered immaterial.



**Corporate tax**

- 177 For the purposes of our valuation, we have adopted the prevailing corporate tax rates for Malaysia, Indonesia and Thailand of 24.0%, 22.0% and 20.0% respectively.
- 178 iCar has a significant balance of unused tax losses from prior years which are expected to be utilised to offset taxable profits over the forecast period. The cash flow projections incorporate allowance for these tax losses.

**Capital expenditure**

- 179 Capital expenditure is based on historic expenditure requirements (which was around A\$2.0 million in CY20) and is escalated at a linear rate of growth each year. iCar's historic capital expenditure is comprised of system infrastructure spend and internally capitalised staff costs related to technology and product development. Capital expenditure is apportioned across each region annually based upon the revenue contribution from each region.

**Working capital**

- 180 iCar management has undertaken a detailed analysis of the estimated year on year movements in working capital for each operating region. Key working capital accounts have been individually modelled based upon historical turnover rates and the projected revenue stream associated with each account. The projections result in a working capital cash outflow for CY22, with positive cash flow estimated in each of the following years to CY27 (albeit the benefit diminishes year-to-year).

**Discount rate and foreign exchange rates**

- 181 In determining the NPV of future cash flows derived from a foreign country, the currency of the projections should always be consistent with the currency of the discount rate. For example, if cash flow projections are denominated in Australian dollar terms, then the risk-free rate, equity risk premium, and other discount rate inputs should also be denominated in Australian dollars.
- 182 There are two methods that are commonly adopted to address foreign currency cash flows in a DCF valuation, these are as follows:
- (a) determining the NPV of the nominal foreign currency cash flows by discounting the projected cash flows with a discount rate denominated in the foreign country currency, and converting the resulting NPV to home currency terms using the spot exchange rate
  - (b) converting the nominal foreign currency cash flows at a forecasted exchange rate into the home currency and discounting the projected cash flows with a home currency discount rate. In this method the risk associated with exchange rate fluctuations is implicitly included in the foreign exchange rates used.
- 183 We have adopted the second methodology for the purposes of our valuation. We have converted the nominal projected cash flows to Australian dollar terms by adopting the foreign exchange rates implied by the market forward rate curves for the Indonesian Rupiah (IDR), Thai Baht (THB), and Malaysian Ringgit (MYR). In addition, the rates determined from the forward curve implicitly incorporate (inter alia) the estimated inflation rate differentials between Australia and Malaysia, Thailand and Indonesia.
- 184 The foreign exchange rates adopted in our DCF valuation are set out below:

## Annexure 1 - Independent Expert's Report (continued)

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& ASSOCIATES LIMITED

iCar – foreign exchange rates <sup>(1)</sup>							
	CY22	CY23	CY24	CY25	CY26	CY27	TV <sup>(2)</sup>
AUD:MYR	3.10	3.14	3.15	3.14	3.13	3.17	3.17
AUD:THB	24.51	24.40	24.09	23.71	23.41	23.07	23.07
AUD:IDR	10,840	11,233	11,611	11,996	12,399	12,802	12,802

**Note:**

- 1 Rounding differences may exist.
- 2 TV cash flows for each region have been converted using CY27 rates.

185 As set out in Appendix C, the discount rates adopted in our DCF have been developed using Australian “mature market” inputs and an appropriate equity country risk premium (CRP) for each geographic region. We have adopted after corporate tax discount rates of 12.0% 13.0%, and 14.0% per annum for Malaysia, Thailand and Indonesia respectively. The discount rates adopted represent an approximate mid-point of the range for each country.

**TV growth rate**

186 Given the relatively high growth envisaged up to FY27, we have adopted a two stage TV growth rate assumption, being 10% per annum for the four years post the forecast period and then 4% per annum thereafter. The application of this TV growth rate and the discount rate implies an overall or consolidated TV / EBITDA multiple (on a controlling interest basis) of approximately 10.3 times<sup>61</sup>, which we consider reasonable.

**Sensitivity analysis**

187 There are inherent qualifications that apply to cash flow projections on which DCF valuations are based. In addition, the cost of capital can vary between industry participants based on factors such as differing perceptions / acceptance of risk and willingness to assume debt funding obligations.

188 It is important therefore not to credit the output of a DCF model with a precision it does not warrant. It follows that any DCF valuation process should consider a range of scenarios, having regard to the respective key valuation drivers of the business being valued.

189 In assessing our valuation range we have therefore considered the sensitivity of value to changes in the key assumptions, as shown below:

iCar DCF valuation – sensitivity analysis		
Variable	Sensitivity %	Value range A\$m
Discount rate	+ / - 10%	193 – 274
Terminal growth rate (applied to both stage 1 and 2 growth)	+ / - 15%	207 – 252
Revenue CAGR (for entire forecast period)	+ / - 2% <sup>(1)</sup>	197 – 260
Change in operating expenses	+ / - 10%	183 – 249
EBITDA margin	+ / - 3.0%	207 – 247
Foreign exchange rate	+ / - 15%	211 – 246

**Note:**

- 1 Without making any corresponding change to the forecast EBITDA margin.

<sup>61</sup> With slightly higher and lower outcomes for each individual country.

190 We have also considered the impact of changes to a number of other assumptions. While we have not set out the results of these other variations (due to their complexity), we note that the resultant range of values are marginally less / broadly consistent with those set out above.

#### Adopted DCF value

191 After considering the range of values from the sensitivity analysis, in our opinion, the DCF approach supports an enterprise value for the iCar business (i.e. prior to the allowance for net debt and any non-core or surplus assets / (liabilities)) of between \$215 million and \$235 million. This represents the value of the business on a 100% controlling interest basis.

#### Reasonableness of implied revenue multiples

192 As a cross-check for reasonableness we have considered the revenue multiples implied by our assessed value of iCar's business operations under the DCF approach. In undertaking this cross-check we have:

- (a) considered revenue forecasts for iCar for CY21 and CY22
- (b) derived the revenue multiples implied by our DCF valuation range
- (c) considered the reasonableness of the implied revenue multiple range.

#### Revenue adopted for valuation cross-check

193 Given the revenue projections from our DCF valuation are commercially sensitive, for cross-check purposes we have adopted analyst revenue estimates for CY21 and CY22 (of A\$18.4 million and A\$26.6 million respectively), noting that these are broadly consistent with revenue for these years in the cash flow projections on which our DCF valuation is based.

#### Implied revenue multiples

194 As noted above, we have assessed the EV of iCar in the range of A\$215 million to A\$235 million based on the DCF methodology. This implies the following revenue multiples:

DCF valuation – implied revenue multiples			
	Paragraph	Low A\$m	High A\$m
Assessed EV	191	215.0	235.0
CY21 forecast revenue (analyst estimates)	193	18.4	
CY22 forecast revenue (analyst estimates)	193	26.6	
CY21 forecast revenue multiple (times)		11.7	12.8
CY22 forecast revenue multiple (times)		8.1	8.8

#### Reasonableness of implied revenue multiples

195 We discuss below the specific factors taken into consideration when assessing the reasonableness of the revenue multiples implied by our DCF valuation range.

# Annexure 1 - Independent Expert's Report (continued)

## Trading evidence

196 iCar owns and operates a network of online properties that provide classified marketplaces and automotive news content. Accordingly, we have considered the trading multiples of listed Australian and international online classified and digital automotive companies. A summary of the implied revenue multiples for these companies is set out below:

Trading evidence <sup>(1)</sup>			
Company <sup>(2)</sup>	EV <sup>(3)</sup> A\$m	EV / revenue <sup>(4)</sup>	
		Forecast CY21 <sup>(4)(5)</sup> x	Forecast CY22 <sup>(4)(5)</sup> x
iCar	139	10.0	7.5
<b>ASX listed online classified companies</b>			
REA Group	21,619	21.1	18.1
SEEK	11,900	13.4	11.2
carsales.com	6,690	14.6	13.3
Domain Holdings Australia	3,229	10.3	8.9
Frontier Digital Ventures	524	10.2	7.4
	<b>Average</b>	12.8	10.7
	<b>Median</b>	11.8	10.1
<b>International online classified and digital automotive companies</b>			
Carvana	72,178	4.3	3.3
Auto Trader Group	12,772	18.3	15.7
Cazoo Group	8,795	7.1	2.3
Cargurus	5,525	4.6	3.2
Cartrade Tech	633	14.3 <sup>(6)</sup>	na
	<b>Average</b>	8.6	6.1
	<b>Median</b>	5.8	3.2

### Note:

- EV and earnings multiples are calculated as at 26 November 2021, with the exception of iCar which has been calculated as at 9 July 2021 (being the last trading day prior to the announcement of the Indicative Carsome Proposal).
- A brief description of each company's operations is set out at Appendix D.
- EV includes net debt (interest bearing liabilities less non-restricted cash), net derivative liabilities, market capitalisation adjusted for material option dilution (for the purpose of reducing debt) and excludes surplus assets. Net debt excludes US GAAP / IFRS / AASB 16 lease liabilities. Foreign currencies have been converted to Australian dollars at the exchange rate prevailing as at 26 November 2021.
- Earnings are based on Bloomberg average analyst forecasts.
- Results for companies with a 31 March and 30 June financial year have been "calendarised" to reflect calendar year ends (i.e. CY21 and CY22) to be consistent with the iCar revenue adopted for this cross-check.
- Based on a 31 March 2021 year end as there are no forecasts available for this company.

**Source:** LEA analysis, Bloomberg, company announcements and reports, publicly available information and analyst reports.

197 In respect of the above, we note that:

- the above multiples are based on the listed market price of each company's shares (and therefore exclude a premium for control). Empirical research undertaken by LEA indicates that the average premium paid above the listed market price in successful



takeovers in Australia ranges between 30% and 35%<sup>62</sup> (assuming the pre-bid market price does not reflect any speculation of the takeover)<sup>63</sup>

- (b) the revenue multiples for iCar are calculated as at 9 July 2021 (being the last trading day prior to the announcement of the Indicative Carsome Proposal), and at this time had been negatively impacted by the uncertainty created by COVID-19 (and the related restrictions in place at the time). These restrictions have subsequently reduced (refer paragraph 219 below) resulting in improved trading conditions and outlook for the Company. As a result, the iCar revenue multiple provides only a limited value reference point
- (c) none of the above listed companies are directly comparable to iCar. In this regard, we note that all the companies operate in different geographic regions and are all therefore subject to different economic cycles and government policies and regulations. Notwithstanding this, we note that:
  - (i) REA Group, SEEK, carsales.com and Auto Trader Group all hold leading market positions in their respective online classified home markets (noting that iCar is the market leader within each of its three operating regions)
  - (ii) carsales.com and Auto Trader Group operate online automotive classifieds businesses. However, these companies are significantly larger than iCar and operate in significantly more mature markets
  - (iii) Frontier Digital Ventures owns a range of market leading classified portals in a number of countries around the world, however these online classified businesses are not limited to the automotive sector
- (d) further, there are limitations of the comparability of some of the international listed companies shown above, for example:
  - (i) whilst Carvana has online operations, it has a significant investment in physical car vending machines, and also derives very low margins
  - (ii) Carzoo Group offers car subscriptions services (which includes a new car, insurance, maintenance, servicing and tax for a flat monthly fee), in addition to online car sales services
  - (iii) only some of the operations for CarGurus and Cartrade Tech are similar to iCar
- (e) the revenue multiples are based on closing share prices at a point in time and are not necessarily representative of the range of multiples that the companies trade on over time.

***Transaction evidence***

198 In recent years, there has been a number of international transactions involving the acquisition of entities that were engaged in the provision of online classified and/or digital automotive services. We have also considered transactions involving online classified businesses with

<sup>62</sup> LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period 2000 to 2020. LEA's study covered around 500 transactions in all sectors excluding real estate investment trusts, based on data sourced from Bloomberg, Connect4 and public company transaction documents and ASX announcements. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement

<sup>63</sup> Although the revenue multiples are based upon enterprise values (not equity values), the companies have little to no debt.

# Annexure 1 - Independent Expert's Report (continued)

operations in the ASEAN region. A summary of these transactions is set out in the following table:

Transaction evidence <sup>(1)</sup>				
Date <sup>(2)</sup>	Target	Acquirer	EV <sup>(3)</sup> A\$m	EV / Historic revenue x
<b>International transactions</b>				
May 21	Trader Interactive <sup>(4)</sup>	carsales.com	2,104	13.2
Aug 20	Truecar (ALG)	JD Power	187	7.0
Dec 19	AutoScout24	Hellman & Friedman	4,622	15.2
Nov 17	SK Encar <sup>(4)</sup>	carsales.com	487	10.8
Aug 16	Iron Planet	Ritchie Bros	1,002	6.0
Mar 14	SK Encar <sup>(4)</sup>	carsales.com	253	13.3
Jan 14	Auto Trader Group <sup>(4)</sup>	Apax Partners	3,283	7.4
<b>Online classified businesses in ASEAN region</b>				
Nov 15	iProperty Group <sup>(4)</sup>	REA	745	28.7
Nov 14	One2Car.com	iCar	18	12.1
Feb 14	JobStreet.com	SEEK Asia Investments	636	11.3

**Note:**

- 1 A brief description of each transaction is set out at Appendix E.
- 2 Date of announcement.
- 3 Implied value of an acquisition of 100% if the transaction does not already involve an acquisition of 100%. Foreign currencies have been converted to AUD at the exchange rate prevailing as at the date of announcement.
- 4 These transactions involved the acquisition of less than 100% of the target: Trader Interactive (49.0%), SK Encar in 2017 (50.1%), SK Encar in 2014 (49.9%), Auto Trader Group (50.1%) and iProperty Group (77.3%).

**Source:** Company announcements, press commentary and LEA analysis.

199 In relation to the transaction evidence, it should be noted that:

- (a) except where noted, the transactions relate to the acquisition of 100% of the businesses and therefore implicitly incorporate a premium for control
- (b) the majority of the acquired companies are larger and have more diversified operations than iCar. In this regard we note that all else being equal, larger companies generally transact at higher multiples than smaller companies
- (c) iCar's acquisition of One2Car.com (at 12.1 times revenue) is the most comparable precedent transaction, as it remains a key part of iCar's Thailand operations and was (at the time of acquisition) and remains Thailand's leading online automotive classified business
- (d) the transactions for AutoScout24 and SK Encar (two transactions) are also comparable in that both of these companies held market leading positions in the geographies in which they operated at the time of acquisition<sup>64</sup>

<sup>64</sup> Auto Trader Group has since listed on the London Stock Exchange and as a result there is more contemporaneous evidence of the revenue multiples appropriate for this business (see the listed company revenue multiples set out at paragraph 196).

- (e) the transaction multiples are all calculated based on the most recent actual revenue (historic multiples), which are typically higher than multiples calculated based on expected future revenue (forecast multiples).

**Other factors**

200 In assessing the reasonableness of the revenue multiples implied by our DCF valuation range we have also had regard to (inter alia):

- (a) **market leadership** – iCar is the market leading provider of online automotive classifieds in Malaysia, Thailand and Indonesia
- (b) **foreign exchange** – movements in the Australian dollar relative to the currencies in Malaysia, Thailand and Indonesia impact the Australian dollar equivalent earnings from iCar’s overseas operations
- (c) **macroeconomic outlook** – the performance of the iCar business is exposed to macroeconomic factors in Malaysia, Thailand and Indonesia that are generally outside of management’s control (e.g. population growth, GDP growth, etc.)
- (d) **growing levels of vehicle ownership** – as set out in Section IV, Malaysia, Thailand and Indonesia have growing levels of vehicle ownership per 1,000 residents
- (e) **impact of COVID-19** – iCar has been negatively impacted by COVID-19 in CY20 and YTD CY21.

**Conclusion on reasonableness of implied revenue multiples**

201 In concluding on the reasonableness of the revenue multiples implied by our assessed value of iCar’s business operations under the DCF methodology, we note that:

- (a) One2car.com was acquired at an implied multiple of 12.1 times historic revenue, and all other things equal, the equivalent iCar historic revenue multiple could be expected to be higher than this<sup>65</sup> (noting that based on the midpoint of our DCF valuation range the lagged revenue multiple for iCar for the 12 months to 30 June 2021 was 12.9 times)
- (b) the market leading online classifieds businesses (i.e. REA Group, SEEK, carsales.com and Auto Trader Group) have a number of similarities to the iCar business, however they are all significantly larger than iCar and also operate in more mature markets. The median revenue multiples for these companies (which excludes a premium for control) are 16.5 times and 14.5 times forecast CY21 and CY22 revenue
- (c) the implied revenue multiples for online classified / digital automotive transactions ranges between 6.0 times and 28.7 times, noting that the more comparable of these transactions (i.e. AutoScout24 and the two transactions involving SK Encar<sup>66</sup>) exhibit a much narrower range of revenue multiples, of between 10.8 times and 15.2 times.

202 Based on the above, in our opinion, the CY21 and CY22 forecast revenue multiples for iCar implied by our DCF valuation of iCar (which are 12.2 times and 8.5 times forecast CY21 and CY22 revenue respectively) appear reasonable.

<sup>65</sup> To allow for the greater size and diversification of iCar at present relative to One2car.com at the time of acquisition.

<sup>66</sup> Both of these companies had leading home market positions in their respective online classified markets.

# Annexure 1 - Independent Expert's Report (continued)

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## Other assets / (liabilities)

- 203 iCar has a number of other assets / (liabilities) that are not reflected in our abovementioned business valuation (or assessment of net debt) and for which it is appropriate that an allowance be made. The assets and liabilities are as follows, and in aggregate amount to a net liability that ranges from A\$0.3 million to A\$0.8 million:
- (a) **tax audit assessment issued for Carmudi** – iCar was issued with (and has paid) a tax assessment of some A\$0.56 million in relation to Carmudi's financial year ended 31 December 2019. Although iCar is appealing the assessment, the outcome is inherently uncertain and therefore for the purposes of this report we have attributed a value of A\$nil to A\$0.5 million to this item
  - (b) **net employee defined benefit liabilities** – relates to a defined benefit plan for iCar's Indonesian employees who reach the retirement age of 55 years. As at 30 June 2021, this amount was A\$0.8 million, which we understand is not materially different to the position as at the date of this report.

## Net debt

- 204 As at 30 September 2021, iCar had net debt of A\$3.8 million (excluding AASB 16 lease liabilities<sup>67</sup>), comprised of the loan from Catcha of A\$5.0 million, net of cash and cash equivalents of A\$1.2 million.
- 205 However, as noted above, our DCF valuation is based upon a valuation date of 31 December 2021 and accordingly, the net debt adopted for valuation purposes should incorporate the (positive / negative) free cash flow generated by iCar up to that date. For the purposes of our valuation, we have therefore considered iCar management's detailed monthly net debt forecast to 31 December 2021.
- 206 Based upon that forecast, we have concluded that net debt of \$10.0 million is appropriate for valuation purposes. This figure includes:
- (a) an allowance of \$2.2 million for the cash settlement of the options and Performance Rights referred to at paragraphs 208 to 210<sup>68</sup>
  - (b) the amount to be paid in November 2021 for deferred consideration for the Carmudi acquisition (A\$0.45 million<sup>69</sup>)
  - (c) an allowance for unavoidable transaction costs; and
  - (d) the amount to be paid for the outstanding remuneration payable to iCar Directors in respect of the period prior to implementation of the Scheme (being approximately A\$0.37 million)<sup>70</sup>.

<sup>67</sup> Which should be ignored for valuation purposes as our DCF valuation takes into account the full cash costs (e.g. rent) associated with leased assets.

<sup>68</sup> Assumes the Performance Rights to be issued, in aggregate of approximately 3.991 million iCar shares (including the Performance Rights which have been approved by the iCar Board but not yet granted) will be cash settled at A\$0.53 per share. Assumes 1.0 million options will be cash settled at A\$0.13 per option (being A\$0.53 less the option exercise price of A\$0.40). Please see Section 9.2 of the Scheme Booklet for further details.

<sup>69</sup> Net of an agreed offset of A\$0.4 million for the tax audit assessment.

<sup>70</sup> Further information in relation to this is set out in Section 9.3 of the Scheme Booklet.



### Share capital outstanding

- 207 iCar has some 449.8 million fully paid ordinary shares on issue.
- 208 In addition, iCar has the following outstanding equity instruments:
- (a) 1.0 million (vested but yet to be exercised) options; and
  - (b) Performance Rights to be issued (upon vesting) an aggregate of approximately 1.6 million iCar shares.
- 209 The iCar Board has also approved, but not yet granted, Performance Rights to be issued (upon vesting) an aggregate of approximately 2.4 million iCar shares.
- 210 iCar and Carsome have agreed to ensure that, by no later than the date of implementation of the Scheme, there are no outstanding options and no outstanding Performance Rights. This will be achieved pursuant to arrangements agreed between iCar, Carsome and each holder of the options or Performance Rights, under which, subject to the Scheme becoming effective, Carsome will on implementation of the Scheme cash settle all the options and Performance Rights (including those Performance Rights that have been approved by the iCar Board but not yet been granted)<sup>71</sup>. The cost of effecting these arrangements is reflected in our assessment of net debt.
- 211 Accordingly, for valuation purposes we have adopted 449.8 million fully diluted shares on issue.

### Valuation summary

- 212 Given the above, we have assessed the value of 100% of the equity in iCar on a controlling interest basis as follows:

iCar – valuation summary <sup>(1)</sup>			
	Paragraph	Low A\$m	High A\$m
Assessed EV	191	215.0	235.0
Other assets / (liabilities)	203	(0.8)	(0.3)
Net cash / (debt)	206	(10.0)	(10.0)
<b>Equity value – controlling interest basis</b>		<b>204.2</b>	<b>224.7</b>
Fully diluted shares on issue (million)	211	449.8	449.8
<b>iCar value per share – controlling interest basis (A\$)</b>		<b>0.45</b>	<b>0.50</b>

**Note:**

- 1 Rounding differences may exist.

### Cross-check to listed market price

- 213 We have cross-checked our valuation of iCar for reasonableness by comparing our assessed value of the equity in iCar (on a per share basis) with the “undisturbed” listed market prices of iCar shares on the ASX, adjusted for a premium for control.

<sup>71</sup> Further information in relation to this including all detailed legal steps involved, is set out in Section 9.2 of the Scheme Booklet.

# Annexure 1 - Independent Expert's Report (continued)

- 214 For the purposes of determining the “undisturbed” market price, we have considered trading in iCar shares up to and including 9 July 2021 (being the last trading day prior to the announcement of the Indicative Carsome Proposal).
- 215 Notwithstanding the receipt of the Indicative Autohome Proposal (at an offer price of A\$0.50 per share) on 30 October 2020, we consider the prices prior to announcement of the Indicative Carsome Proposal to be “undisturbed” given that:
- (a) the iCar share price on the last day of trading prior to the announcement of the Indicative Carsome Proposal was A\$0.30 per share, which was lower than the iCar share price prior to the receipt of the Indicative Autohome Proposal, of A\$0.33 per share
  - (b) the one month and three month volume weighted average prices (VWAP) for iCar shares were lower prior to the announcement of the Indicative Carsome Proposal than prior to the announcement of the Indicative Autohome Proposal.

- 216 The VWAP for iCar shares in the one and three month periods up to 9 July 2021 are as follows:

iCar – VWAPs	
	A\$
One month VWAP	0.284
Three month VWAP	0.297

- 217 Having regard to the above, we have adopted an “undisturbed” share price of A\$0.29 for the purposes of our cross-check.
- 218 Empirical research undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover)<sup>72</sup>.
- 219 Adding a 30% to 35% premium for control to the adopted “undisturbed” share price results in a theoretical “control” value of A\$0.38 to A\$0.39 per iCar share. Whilst our assessed valuation exceeds this range, in our opinion, the iCar share price was (prior to the announcement of the Indicative Carsome Proposal) negatively impacted by the uncertainty created by COVID-19<sup>73</sup>. In this regard, we note that the following COVID-19 restrictions were in place:
- (a) Malaysia – the Malaysian Government’s MCO 3.0, the harshest lockdowns for the Malaysian economy since the outbreak of COVID-19, were underway which restricted the operations of used and new car dealers and impacted iCar’s Malaysian operations significantly

<sup>72</sup> LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period 2000 to 2020. LEA’s study covered around 500 transactions in all sectors excluding real estate investment trusts, based on data sourced from Bloomberg, Connect4 and public company transaction documents and ASX announcements. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement.

<sup>73</sup> Noting that as at or around the receipt of the Carsome Indicative Proposal, the iCar share price had not recovered to pre COVID-19 levels (as was the case with many other classified businesses globally).

- (b) Thailand – in April 2021, work from home restrictions were reintroduced in Thailand following an increase in the number of COVID-19 cases across the country, with classified and advertising revenue negatively impacted as car dealers and car manufacturers both scaled back advertising spend
  - (c) Indonesia – large scale social restrictions were scaled up in the third quarter of 2021 following increasing numbers of COVID-19 cases across the country, with all car dealerships closed (except for servicing). At the time, financing restrictions also remained in place.
- 220 Since the receipt of the Indicative Carsome Proposal, the COVID-19 restrictions in Malaysia have reduced (with MCO 3.0 ending in mid-August) and from 1 September 2021 COVID-19 restrictions in Thailand and Indonesia eased significantly, resulting in improved trading conditions and outlook for the Company (both of which are implicitly reflected in our DCF valuation). In our opinion, this is likely to explain some of the difference between our assessed valuation range and the implied theoretical “control” value (that is based upon ASX trading up to and including 9 July 2021).
- 221 We also note that the high end of our valuation range is consistent with the Indicative Autohome proposal (i.e. another proposed control transaction for the Company), notwithstanding this proposal was never formalised.

# Annexure 1 - Independent Expert's Report (continued)

## VII Evaluation of the Scheme

222 In our opinion, the Scheme is fair and reasonable and therefore in the best interests of the Scheme Shareholders in the absence of a superior proposal. We have formed this opinion for the following reasons.

### Assessment of fairness

223 As set out in Section VI, we have assessed the value of iCar on a 100% controlling interest basis at between A\$0.45 and A\$0.50 per share.

224 If the Scheme is approved and implemented, Scheme Shareholders will receive A\$0.53 cash for each iCar share they hold on the Scheme Record Date.

225 Pursuant to RG 111 the Scheme is “fair” if the value of the Scheme Consideration is equal to, or greater than the value of the securities the subject of the Scheme. This comparison is shown below:

Comparison of Scheme Consideration to value of iCar			
	Low	High	Mid-point
	A\$ per share	A\$ per share	A\$ per share
Value of Scheme Consideration	0.53	0.53	0.530
Value of 100% of iCar	0.45	0.50	0.475
Extent to which the Scheme Consideration exceeds (or is less than) the value of iCar	0.08	0.03	0.055

226 As the Scheme Consideration exceeds our assessed valuation range for iCar shares on a 100% controlling interest basis, in our opinion, the Scheme Consideration is “fair” to the Scheme Shareholders when assessed based on the guidelines set out in RG 111.

### Assessment of “reasonableness” and “in the best interests”

227 Pursuant to RG 111, a transaction is reasonable if it is fair. Consequently, in our opinion, the Scheme is also “reasonable”.

228 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of members of the company.

229 In our experience, if a transaction is “fair” and “reasonable” under RG 111 it will also be “in the best interests” of shareholders. This is because if the consideration payable pursuant to a scheme is fair, shareholders are implicitly receiving consideration for their shares which is consistent with the full underlying value of those shares.

230 We therefore consider that the Scheme is also “in the best interests” of the Scheme Shareholders in the absence of a superior proposal.



### Other considerations

- 231 In assessing whether the Scheme is reasonable and in the best interests of the Scheme Shareholders LEA has also considered, in particular:
- (a) the extent to which a control premium is being paid to the Scheme Shareholders
  - (b) the extent to which Scheme Shareholders are being paid a share of any synergies likely to be generated if the Scheme is implemented
  - (c) the listed market price of iCar shares, both prior to and subsequent to the announcement of the proposed Scheme
  - (d) the likely market price of iCar shares if the proposed Scheme is not implemented (and a comparable or superior proposal does not emerge)
  - (e) the value of iCar to an alternative offeror and the likelihood of a higher alternative offer being made for iCar prior to the date of the Scheme meeting
  - (f) the advantages and disadvantages of the Scheme from the perspective of the Scheme Shareholders
  - (g) other qualitative and strategic issues associated with the Scheme.

232 These issues are discussed in detail below.

### Extent to which a control premium is being paid

- 233 Research undertaken by LEA indicates that average premiums paid in successful takeovers in Australia generally range between 30% and 35% above the listed market price of the target company's shares<sup>74</sup> three months prior to the announcement of the bid (assuming no speculation of the takeover is reflected in the pre-bid price)<sup>75</sup>. This premium range reflects the fact that:
- (a) the owner of 100% of the shares in a company obtains access to all the free cash flows of the company being acquired, which it would otherwise be unable to do as a minority shareholder
  - (b) the controlling shareholder can direct the disposal of surplus assets and the redeployment of the proceeds
  - (c) a controlling shareholder can control the appointment of directors, management policy and the strategic direction of the company
  - (d) a controlling shareholder is often able to increase the value of the entity being acquired through synergies and/or rationalisation savings.

<sup>74</sup> After adjusting the pre-bid market prices for the movement in share market indices between the date of the pre-bid market price and the announcement of the takeover.

<sup>75</sup> LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period 2000 to 2020. LEA's study covered around 500 transactions in all sectors excluding real estate investment trusts, based on data sourced from Bloomberg, Connect4 and public company transaction documents and ASX announcements. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement.

# Annexure 1 - Independent Expert's Report (continued)

- 234 We have calculated the premium implied by the Scheme Consideration by reference to the market prices of iCar shares (as traded on the ASX) for periods up to and including 9 July 2021 (being the last trading day prior to the announcement of the Indicative Carsome Proposal).

Implied offer premium relative to recent iCar share prices		
	iCar share price	Implied control premium
	A\$	%
Closing share price on 9 July 2021 <sup>(1)</sup>	0.300	77
1 month VWAP to 9 July 2021 <sup>(1)</sup>	0.284	87
3 month VWAP to 9 July 2021 <sup>(1)</sup>	0.297	78

**Note:**

- 1 Being the last trading day prior to the announcement of the Indicative Carsome Proposal.

- 235 Having regard to the above, in our opinion, the Scheme Consideration provides the Scheme Shareholders with a premium that significantly exceeds observed premiums generally paid in comparable circumstances. Accordingly, in our opinion, the Scheme Shareholders are being fully compensated for the fact that 100% control of iCar will pass to Carsome if the Scheme is approved and implemented.
- 236 However, in our view the listed market price of iCar shares prior to the announcement of the Indicative Carsome Proposal provides only a limited value reference point because (as outlined in Section VI) the iCar share price around this time had been negatively impacted by the uncertainty created by COVID-19. Since then, COVID-19 restrictions in Malaysia, Thailand and Indonesia have been significantly eased, resulting in improved trading conditions and outlook for the Company.

**Extent to which Scheme Shareholders are being paid a share of synergies**

- 237 If the Scheme is approved and implemented, iCar will be delisted from the ASX, resulting in the elimination of listed public company costs (e.g. director fees, listing fees, share registry fees, shareholder communication costs etc.). Depending upon the identity of the acquirer, there is also the potential for other revenue and cost synergies (e.g. back office costs savings, reduction in technology spend and improvement in market position (including depth and breadth of service)) to be generated.
- 238 Whilst Carsome has not provided any specific guidance on the size of the synergies expected to arise from the acquisition of iCar, it has made the following general statement:

*“The proposed acquisition of iCar under the terms of the Scheme and the Carsome/Catcha Transaction will combine Carsome’s integrated car e-commerce platform with iCar’s complementary business also operating in the Malaysian, Indonesian, Thai and Singaporean markets. The acquisition of iCar is expected to enable Carsome to offer an integrated online automotive platform for users through which dealers can source, advertise and sell cars and consumers can research, sell and buy cars in the region.*

*The acquisition is being undertaken in line with Carsome’s aim to expand its offering to cover all aspects of the automotive acquisition process – from search, transaction, finance and insurance to after-sales services – and will enable Carsome to provide an enhanced suite of digital products and services across the entire automotive buying and selling value chain.*

*Carsome also views the combination of the two businesses as a valuable opportunity to share and build on the talent, learning and best practices of Carsome and iCar as Carsome continues to grow its business offering.”<sup>76</sup>*

- 239 We note that our valuation range incorporates a premium for control and that the existence of company cost savings as well as other cost (and revenue) synergies that arise from acquisitions / privatisations are one of the key reasons why bidders pay a premium to acquire a company.
- 240 Given that the Scheme Consideration exceeds our valuation range, it would therefore appear that the strategic value of iCar to Carsome, together with a proportion of the related synergy benefits that are expected to be realised by the acquirer, are reflected in the Scheme Consideration.

**Recent share prices subsequent to the announcement of the Scheme**

- 241 Scheme Shareholders should note that iCar shares have traded on the ASX in the range of A\$0.505 to A\$0.520 per share in the period since the Scheme was announced up to and including 2 December 2021 (and closed at A\$0.508). The VWAP over the period was A\$0.514 per share.
- 242 These share prices are marginally lower than the Scheme Consideration. In our view, the trading above suggests that in the absence of a superior proposal the consensus market view is that the Scheme is likely to be successful.

**Likely price of iCar shares if the Scheme is not implemented**

- 243 If the Scheme is not implemented and no alternative proposal emerges (the potential for which is discussed below), we expect that, at least in the short term, iCar shares will trade at a significant discount to our valuation and the Scheme Consideration due to the difference between the value of iCar shares on a portfolio basis and their value on a 100% takeover basis.
- 244 In this regard, we note that iCar shares last traded at A\$0.30 per share on 9 July 2021 (being the last trading day prior to the announcement of the Indicative Carsome Proposal). We also note that over the one month to 9 July 2021, iCar shares traded within a range of A\$0.235 (low) and A\$0.315 (high) with a VWAP of A\$0.284.
- 245 If the Scheme is not implemented those Scheme Shareholders who wish to sell their iCar shares are therefore likely, at least in the short term, to realise a significantly lower price for their shares than the Scheme Consideration.

**Likelihood of an alternative offer / superior proposal**

- 246 The Scheme was announced on 18 October 2021, some three months after the announcement of the Indicative Carsome Proposal (of A\$0.55 per iCar share) on 13 July 2021 and some 12 months after the announcement of the (now withdrawn) Indicative Autohome Proposal (of A\$0.50 per iCar share) on 30 October 2020.
- 247 Although Carsome and Catcha hold a combined 29.4% interest in iCar and this may ordinarily act as a deterrent to other bidders, in this instance, if Carsome and Catcha are not

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<sup>76</sup> Refer to Section 6.2 of the Scheme Booklet.

# Annexure 1 - Independent Expert's Report (continued)

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prepared to match or better a higher rival offer (of more than 105% of the value of the Scheme Consideration), Carsome and Catcha must (pursuant to the joint bid relief granted by ASIC on 13 August 2021) either:

- (a) in the case of a rival takeover offer, accept the offer under that takeover; or
- (b) in the case of a higher rival scheme, not vote against the scheme.

248 Despite the above, we have been advised by the IBC that no formal alternative offers or proposals have been received subsequent to the announcement of the Scheme on 18 October 2021.

249 Whilst there has effectively been (and remains) an opportunity for third parties contemplating an acquisition of iCar (or an alternate transaction) to table a proposal before the iCar Board, the Scheme Shareholders should note:

- (a) the exclusivity (and break fee) obligations on iCar pursuant to the Agreement, which are summarised in Section I of this report and discussed in further detail in the Scheme Booklet
- (b) that prior to entering into the exclusivity arrangements with Carsome (on 28 July 2021), iCar along with its advisors actively explored with a number of parties whether they could propose a superior change of control proposal for iCar
- (c) that the market has been aware that iCar has been the subject of takeover interest since October 2020 (i.e. for a period of more than 12 months) and the offer under the Scheme is the only formal binding offer to emerge for the Company since it has effectively been “in play”.

250 Although it is possible that a formal alternate offer / superior proposal may emerge, in our opinion, the factors set out above diminish the likelihood of this occurring.

## Summary of opinion on the Scheme

251 We summarise below the likely advantages and disadvantages of the Scheme for the Scheme Shareholders.

### Advantages

252 In our opinion, the Scheme has the following benefits for the Scheme Shareholders:

- (a) the Scheme Consideration of A\$0.53 cash per share exceeds the high end of our assessed value range for iCar shares on a 100% controlling interest basis. Thus, in our view, Scheme Shareholders are being paid an appropriate price to compensate them for the fact that control of iCar will pass to Carsome if the Scheme is approved and implemented
- (b) the Scheme Consideration represents a significant premium to the recent market prices of iCar shares prior to the announcement of the Indicative Carsome Proposal on 13 July 2021. Furthermore, the premium is well above observed premiums generally paid to target company shareholders in comparable circumstances



- (c) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of iCar shares is likely to trade at a significant discount to our valuation and the Scheme Consideration due to the portfolio nature of individual shareholdings
- (d) in this regard, given the market has been aware that iCar has been the subject of takeover interest since October 2020 (i.e. for a period of more than 12 months) and the offer under the Scheme is the only formal binding offer to emerge for the Company since it has effectively been “in play”, we consider the prospects of an alternative offer or proposal to be unlikely.

#### Disadvantages

- 253 Scheme Shareholders should note that if the Scheme is implemented they will no longer hold an interest in iCar. The Scheme Shareholders will therefore not participate in any future value created by the company over and above that reflected in the Scheme Consideration.
- 254 However, as our assessed value of iCar shares is consistent with the Scheme Consideration, in our opinion, the present value of iCar’s future potential is reflected in the Scheme Consideration.

#### Conclusion

- 255 Given the above analysis, we consider we consider the advantages of the Scheme to outweigh the disadvantages. Consequently, in our view, the acquisition of iCar shares under the Scheme is fair and reasonable and therefore in the best interests of the Scheme Shareholders in the absence of a superior proposal.

#### Other matters

- 256 iCar shareholders should be aware that the Catcha Entities are being provided with the ability to retain an interest in the iCar business (as well as obtain an exposure to the Carsome business) by exchanging (in two separate tranches) their 132,361,490 iCar shares (or 29.4% interest in iCar) for some 2,497,442 D2 Preference Shares in Carsome<sup>77</sup>. It is important to note that the exchange of the first tranche (89,456,448 iCar shares<sup>78</sup> for 1,703,174 D2 Preference Shares) completed on 31 August 2021<sup>79</sup> and that it is only the second tranche (42,905,042 iCar shares<sup>80</sup> for 794,268 D2 Preference Shares) that remains conditional upon the Scheme proceeding.
- 257 Carsome is a private unlisted entity that is domiciled in Singapore (further details about Carsome are provided at paragraph 12). Its equity is comprised of ordinary share capital as well as number of different tranches of preference shares.
- 258 The D2 Preference Shares rank ahead of the other tranches on issue but are otherwise similar in nature, in that they have (inter alia) voting rights, preferential dividend entitlements and can, at the option of the holder, be converted to ordinary equity. The Catcha Entities will also be entitled to appoint a Director to the Carsome Board<sup>81</sup> and will have specific voting rights in certain circumstances. That said, based upon our review of Carsome’s Shareholders’ Deed

<sup>77</sup> The exchange ratio was based upon assumed notional values of A\$0.60 per iCar share and US\$24.2416 per D2 Preference Share (and AUD:USD exchange rates of some 0.76923 and 0.74794 for tranche 1 and 2 respectively).

<sup>78</sup> Representing some 19.9% of iCar’s shares on issue.

<sup>79</sup> As noted at footnote 2, the Sale Agreement governing this sale was signed and dated 11 July 2021.

<sup>80</sup> Representing some 9.5% of iCar’s shares on issue.

<sup>81</sup> Noting that Mr Patrick Grove was appointed a director of Carsome in November 2021.

# Annexure 1 - Independent Expert's Report (continued)

and the pro-forma composition of its security register, the Catcha Entities' interest in Carsome will effectively represent a minority interest. It should also be noted that the Catcha Entities' ability to transfer or dispose of their interest will be significantly restricted.

- 259 Concurrent with the transactions with the Catcha Entities, Carsome also raised equity from existing and new non-associated third party investors including the Catcha Entities<sup>82</sup> (through the issue of D2 Preference Shares). The total number of D2 Preference Shares issued (including those issued / to be issued to the Catcha Entities) represented some 20% of the total number of Carsome's (pre-equity raise) securities on issue.
- 260 The issue price was US\$24.24 cash per D2 Preference Share. This cash price implicitly reflected the rights and restrictions attaching to these securities, including their minority interest status and the illiquid nature of the holding. Based upon this cash issue price, the implied value received by the Catcha Entities for their interest in iCar is calculated as follows:

<b>Implied value received by the Catcha Entities per iCar share held<sup>(1)</sup></b>	
Number of D2 Preference Shares issued / to be issued to Catcha Entities	2,497,442
Cash price at which D2 Preference Shares were issued (US\$)	24.24
Implied value of Carsome equity issued to Catcha Entities (US\$)	60,541,990
Number of iCar shares exchanged	132,361,490
Implied value received by Catcha Entities per iCar share held (US\$)	0.457
Assumed AUD:USD foreign exchange rate <sup>(2)</sup>	0.75
<b>Implied value received by Catcha Entities per iCar share held (A\$)<sup>(2)</sup></b>	<b>0.610</b>

**Note:**

- 1 Rounding differences may exist.
- 2 Broadly based upon the average exchange rate over the last 12 months. However, it should be noted that exchange rates are volatile and the adoption of a lower assumed rate will give rise to a higher implied value (and vice versa). The weighted average exchange rate agreed between Carsome and the Catcha Entities was some 0.76233. The application of this exchange rate results in an implied value received of A\$0.60 per iCar share.

- 261 Given the above, in our view, the implied value received by the Catcha Entities (per iCar share) is likely to be greater than the Scheme Consideration (i.e. A\$0.53 cash per iCar share) offered to Scheme Shareholders under the Scheme. However, it should be noted that:
- (a) the Catcha Entities have forgone their strategic (i.e. 29.4%) shareholding in iCar and are exposed to transaction risk<sup>83</sup>
  - (b) the value of the Catcha Entities' interest in Carsome will be subject to ongoing economic, general business and strategy execution risk<sup>84</sup>
  - (c) the D2 Preference Shares will be substantially illiquid, meaning that it is inherently uncertain as to how, when and at what price the Catcha Entities may monetise the value of their investment (noting that although Carsome has indicated a medium-term

<sup>82</sup> Which in addition to agreeing to exchange its iCar shares for Carsome equity, also acquired US\$20 million of Carsome equity (for cash).

<sup>83</sup> In connection with the joint bid arrangements, the Catcha Entities have already transferred to Carsome some 89,456,448 shares in iCar (representing approximately 19.9% of the share capital of iCar) and therefore if the Scheme does not proceed, the Catcha Entities will retain only a 9.5% interest in iCar.

<sup>84</sup> Noting in particular, that there remains some uncertainty in relation to the ongoing impact of COVID-19 on businesses like iCar and Carsome.

intention to seek to list its securities, potentially in the US<sup>85</sup>, no decision has been made on whether it will pursue a listing or any alternative transaction structures).

262 In contrast, the Scheme Consideration provides cash (value) certainty.

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<sup>85</sup> Reuters, *Malaysia's Carsome raises \$170 mln to reach \$1.3 bln valuation*, 1 September 2021 and Forbes, *Malaysia's Carsome Reaches \$1.3 Billion Valuation In Funding Round From MediaTek And Others*, 1 September 2021.

# Annexure 1 - Independent Expert's Report (continued)

## Appendix A

### Financial Services Guide

#### Lonerган Edwards & Associates Limited

- 1 Lonerган Edwards & Associates Limited (ABN 53 095 445 560) (LEA) is a specialist valuation firm which provides valuation advice, valuation reports and independent expert's reports (IER) in relation to takeovers and mergers, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes.
- 2 LEA holds Australian Financial Services Licence No. 246532.

#### Financial Services Guide

- 3 The *Corporations Act 2001 (Cth)* (Corporations Act) authorises LEA to provide this Financial Services Guide (FSG) in connection with its preparation of an IER to accompany the Scheme Booklet to be sent to the Scheme Shareholders in connection with the Scheme.
- 4 This FSG is designed to assist retail clients in their use of any general financial product advice contained in the IER. This FSG contains information about LEA generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

#### Financial services we are licensed to provide

- 5 Our Australian Financial Services Licence allows us to provide a broad range of services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities, derivatives, interests in managed investment schemes, superannuation products, debentures, stocks and bonds.

#### General financial product advice

- 6 The IER contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.
- 7 You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

#### Fees, commissions and other benefits we may receive

- 8 LEA charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages LEA to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the entity who engages us. In the preparation of this IER, LEA is entitled to receive a fee estimated at A\$170,000 plus GST.
- 9 Neither LEA nor its directors and officers receives any commissions or other benefits, except for the fees for services referred to above.



## Appendix A

- 10 All of our employees receive a salary. Our employees are eligible for bonuses based on overall performance and the firm's profitability, and do not receive any commissions or other benefits arising directly from services provided to our clients. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance. Our directors do not receive any commissions or other benefits arising directly from services provided to our clients.
- 11 We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

### Complaints

- 12 If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner.
- 13 If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA), an external complaints resolution service. You will not be charged for using the AFCA service.

### Contact details

- 14 LEA can be contacted by sending a letter to the following address:  
  
Level 7  
64 Castlereagh Street  
Sydney NSW 2000  
(or GPO Box 1640, Sydney NSW 2001)

# Annexure 1 - Independent Expert's Report (continued)

## Appendix B

### Qualifications, declarations and consents

#### Qualifications

- 1 LEA is a licensed investment adviser under the Corporations Act. LEA's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have prepared hundreds of IERs.
- 2 This report was prepared by Mr Nathan Toscan and Mr Jorge Resende, who are each authorised representatives of LEA. Mr Toscan and Mr Resende each have over 20 years' experience in the provision of valuation advice (and related advisory services).

#### Declarations

- 3 This report has been prepared at the request of the IBC to accompany the Scheme Booklet to be sent to the Scheme Shareholders. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Scheme is fair and reasonable and in the best interests of the Scheme Shareholders.

#### Interests

- 4 At the date of this report, neither LEA, Mr Toscan nor Mr Resende have any interest in the outcome of the Scheme. With the exception of the fee shown in Appendix A, LEA will not receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.
- 5 We have considered the matters described in ASIC RG 112 – *Independence of experts*, and consider that there are no circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective independent assistance in this engagement.

#### Indemnification

- 6 As a condition of LEA's agreement to prepare this report, iCar agrees to indemnify LEA in relation to any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of iCar which is false or misleading or omits material particulars or arising from any failure to supply relevant documents or information.

#### Consents

- 7 LEA consents to the inclusion of this report in the form and context in which it is included in the Scheme Booklet.

## Appendix C

### Assessment of appropriate discount rate

#### Overview

- 1 The determination of the discount rate or cost of capital for an asset requires identification and consideration of the factors that affect the returns and risks of that asset, together with the application of widely accepted methodologies for determining the returns demanded by the debt and equity providers of the capital employed in the asset.
- 2 The discount rate applied to the projected cash flows from an asset represents the financial return that will be demanded before an investor would be prepared to acquire (or invest in) the asset. Discount rates for assets are frequently evaluated using the weighted average cost of capital which is a function of the cost of equity and the cost of debt (and related debt to equity levels).
- 3 Although iCar has existing loan facilities of up to A\$15 million, we note that:
  - (a) the facilities have been provided by iCar's major shareholder, Catcha. The facilities are also relatively short-term in nature (with a maturity date of 30 June 2023)
  - (b) although iCar's Malaysian operations are profitable (and the Thailand operations are essentially break-even) at the EBITDA level (prior to the allocation of corporate costs), overall the Company remains loss making and is cash flow negative
  - (c) iCar's businesses have been significantly impacted by COVID-19 and some uncertainty remains in relation to its ongoing impact on the Company.
- 4 Having regard to the above, in our opinion, it would be difficult for iCar to obtain finance (on reasonable terms) from an arm's length party (or parties). Accordingly, the discount rate for iCar has been evaluated using the cost of equity only.
- 5 Our assessment of the appropriate parameters to be used when determining the cost of equity for each country in which iCar operates (Malaysia, Thailand and Indonesia) is set out below.

#### Cost of equity

- 6 The cost of equity for each country in which iCar operates has been derived using a three-step process:
  - (a) firstly, the cost of equity has been estimated assuming that the business is located in a developed country (i.e. no CRP). The estimate of the cost of equity under these assumptions has been obtained using the capital asset pricing model (CAPM), the inputs to which were derived from developed or mature markets. The formula for deriving the cost of equity using CAPM is as follows:

# Annexure 1 - Independent Expert's Report (continued)

## Appendix C

### Cost of equity calculation

$$R_e = R_f + \beta_e [E(R_m) - R_f]$$

where:

- $R_e$  = expected equity investment return or cost of equity in nominal terms
- $R_f$  = risk-free rate of return
- $E(R_m)$  = expected market return
- $E(R_m) - R_f$  = market risk premium (MRP)
- $\beta_e$  = equity beta

For the purpose of our report, we have used the Australian market, from which relevant inputs to the CAPM were obtained, in calculating the “mature market” cost of equity. This is consistent with iCar being Australian domiciled, listed on the ASX and adopting the Australian dollar as its functional currency for financial reporting purposes

- (b) secondly, we have incorporated specific risk premiums to allow for the relatively small size and different developmental stages of the respective businesses. This has been added to the “mature market” cost of equity estimated in the first step
- (c) thirdly, a CRP has also been added to the “mature market” cost of equity estimated in the first step to account for the fact that the business is actually located offshore and not in Australia<sup>86</sup>.

7 The individual inputs to the estimation of the cost of equity are discussed below.

### Risk-free rate

8 For the purposes of this report we have adopted a long-term risk-free rate for the Australian market of 3% per annum which is broadly consistent with the average yield on the 30-year Commonwealth Government Bond for the month to 31 October 2021 of 2.5% (note, this is the longest term Commonwealth Government Bond on issue).

### Market risk premium

9 The MRP represents the additional return above the risk-free rate that investors require in order to invest in a well-diversified portfolio of equity securities (i.e. the equity market as a whole). Having regard to academic studies, the average market risk premium calculated over the longer term and empirical evidence we have adopted a long-term MRP of 6.5% for the Australian market.

### Equity beta

10 In determining the appropriate equity beta for iCar, we have considered (inter-alia):

- (a) the risks associated with the business of iCar
- (b) the beta estimates for online classified companies and online classified and digital automotive companies
- (c) the beta estimates for iCar.

<sup>86</sup> It should be noted that the CRP does not account for the inflation rate differences that exist between Australia and the subject foreign country.



## Appendix C

### Risk factors of iCar

- 11 We have considered the key business risks associated with iCar, which are (inter-alia) technology risks and systems disruption, declines in automotive and general advertising in iCar's key markets, maintaining relationships with car dealers and manufacturers, managing growth of operations, cyber security, potential for increased competition, the ability to continue to monetise its offering and the ability to secure adequate funding to drive growth.

### Betas of listed companies

- 12 The significant decline and dramatic recovery of equity markets precipitated by the COVID-19 pandemic distorted long-term risk measures and as such we have had regard to equity betas of ASX listed online classified companies and international listed online classified and digital automotive companies as of 26 November 2021 as well as on a pre-COVID basis (taken as of 31 January 2020). These are summarised as follows:

Listed company betas					
Company / index	Market cap <sup>(1)</sup> A\$m	Bloomberg (as at 26 November 2021)		Bloomberg (as at 31 January 2020)	
		beta <sup>(2)</sup>	RSQ <sup>(3)</sup>	beta <sup>(2)</sup>	RSQ <sup>(3)</sup>
iCar	139	1.55 <sup>(4)</sup>	0.11 <sup>(4)</sup>	1.04	0.02
<b>ASX listed online classified companies</b>					
REA Group	21,420	0.95	0.33	1.09	0.23
SEEK Ltd	12,150	1.12	0.38	1.19	0.35
carsales.com	7,011	1.06	0.37	1.23	0.28
Domain Holdings Australia	3,143	1.35	0.31	1.30	0.15
Frontier Digital Ventures	521	1.48	0.23	1.13	0.07
<b>Average</b>		1.12		1.19	
<b>Median</b>		1.19		1.19	
<b>Online classified and digital automotive companies</b>					
Carvana	66,696	2.35	0.33	2.17	0.09
Auto Trader Group	12,994	0.45	0.10	nm	0.00
Cazoo Group	8,764	1.38	0.17	na	na
Cargurus	6,136	1.89	0.41	1.88	0.32
Cartrade Tech	833	na	na	na	na
<b>Average</b>		1.52		2.25	
<b>Median</b>		1.63		1.88	

#### Note:

- 1 Market capitalisation as at 26 November 2021 (excluding iCar which is as at 9 July 2021, being the last trading day prior to the announcement of the Indicative Carsome Proposal).
- 2 Based on four years of monthly returns.
- 3 R-squared (RSQ) measures the reliability of the beta estimate.
- 4 Based on four years of monthly returns to 9 July 2021, being the last trading day prior to the announcement of the Indicative Carsome Proposal.

na – not available. nm – not meaningful

Source: Bloomberg and LEA analysis.

- 13 In respect of the above, we note that:

# Annexure 1 - Independent Expert's Report (continued)

## Appendix C

- (a) the betas vary widely reflecting differences in size, leverage (i.e. gearing) and operational risks. The calculated beta estimates also vary depending on the index used (and the main constituents of that index)
- (b) none of the listed companies are directly comparable to iCar (notwithstanding that many operate in the same broad industry sector, i.e. online classifieds), noting in particular that all of the listed companies are subject to different economic / industry cycles and regulation in comparison to iCar
- (c) some of the beta estimates have increased since 31 January 2020, which largely reflects the significant volatility of equity markets caused by COVID-19. Accordingly, we consider the beta estimates prior to the outbreak of the pandemic to be a better representation of longer term betas
- (d) it is important to consider the RSQ values shown above. The RSQ value measures the reliability of the beta estimate, and ranges from zero (being not reliable) to 1.0 (highly reliable).

### **Conclusion**

- 14 Having regard to the above, we have adopted an equity beta of 1.2 to 1.3 for iCar. This is slightly higher than the average and median betas for the ASX listed classified companies (which generally have reasonable RSQ values) prior to the outbreak of COVID-19.

### **Additional equity risk premium**

- 15 We have assessed specific risk premiums for iCar's operations on a country by country basis, having regard to the relative attributes (particularly size and stage of development), noting that:

- (a) the Malaysian operations are the Company's largest and have achieved profitability at the EBITDA level (prior to allocation of corporate costs)
- (b) the Thailand operations are next largest operations and are essentially break-even at the EBITDA level (prior to allocation of corporate costs)
- (c) the Indonesian operations are the smallest operations and are currently unprofitable at the EBITDA level (prior to allocation of corporate costs).

- 16 On this basis, we have adopted specific risk premiums of Nil to 0.5%, 0.5% to 1.0% and 1.0% to 1.5% for Malaysia, Thailand and Indonesia respectively (noting that we have allowed for CRPs in addition to this below).

### **Country risk premium**

- 17 The three major types of risk associated with an investment in a foreign country are:

- (a) political risk, which includes risks such as changes in the regulatory or legal environment, political expropriation, fiscal changes, the blocking of the capital markets and market intervention policies

## Appendix C

- (b) economic risk, which includes all variations in such macroeconomic parameters as interest rates and GDP
  - (c) currency risk, such as exchange rate volatility as well as the gradual depreciation of the local currency over time.
- 18 Where these risks are greater, particularly in cases where investments are located in emerging countries, it has become common practice for investors to (appropriately) seek a higher rate of return on these investments to account for the increased country risk. This risk adjustment is commonly reflected in practice by adding a CRP (i.e. risk margin) to the corresponding discount rate for an equivalent investment in a mature market (noting that in this instance we adopt Australia as the mature market).

### *Quantitative estimates of CRP*

- 19 The most widely used proxy for the CRP (for an emerging country) is the “default spread” that investors seek for buying bonds issued by the emerging country (relative to the developed country which is being used as the benchmark for the determination of the “mature market” cost of equity).
- 20 The “default spread” can be measured in a number of ways, the most common of which are:
- (a) **bond yield differentials** – the difference between the yield on the emerging country’s foreign currency (e.g. US dollar) denominated sovereign bonds and the yield on a comparable<sup>87</sup> government bond for a riskless developed country (e.g. US treasury bond)<sup>88</sup>. For countries that do not issue foreign dollar denominated sovereign bonds (as is the case with many emerging countries), the default spread is estimated based on the average spread observed across countries with the same sovereign bond credit rating (supplied by Moody’s)
  - (b) **credit default swap (CDS) market** – the last decade has seen the evolution of a CDS market<sup>89</sup>. In conjunction with CDS contracts for companies, there has also been a development of a market for sovereign CDS contracts. The prices of these contracts are often referenced as a market assessment of the default risk for the country. The “default spread” represents the difference between the price of the emerging country CDS and the CDS of a riskless developed country (e.g. the US). It is important to note that there

<sup>87</sup> Comparable in respect of term to maturity and denomination. The reason the bonds must be denominated in the same currency (e.g. US dollars) and for an equivalent maturity is so the differential in interest rates reflects the market perceived risk of non-payment only and not differentials in expected inflation rates etc.

<sup>88</sup> For example, if an “emerging country” issued a 10-year US dollar denominated bond, with a market interest rate of 3.37% and at the same time the 10-year treasury bond rate (which is assumed to be riskless) was 1.47%, the difference between the two rates of 1.90% is viewed as the market’s assessment of the default spread for the emerging country.

<sup>89</sup> The CDS market allows investors to buy protection against default in a security. The buyer of a CDS on a specific bond makes payments of the “spread” each period to the seller of the CDS (the payment is specified as a percentage (spread) of the notional or face value of the bond being insured). In return, the seller agrees to make the buyer whole if the issuer of the bond fails to pay, restructures or goes bankrupt (i.e. suffers a credit event).

# Annexure 1 - Independent Expert's Report (continued)

## Appendix C

are inherent limitations associated with this methodology<sup>90</sup> and, in our opinion, it should be considered more as a cross-check, rather than a primary methodology.

- 21 It should be noted that a country's "default spread" measures the CRP for a debt instrument, not an equity instrument. Intuitively, the CRP for an equity instrument (i.e. equity CRP) should be larger due to greater risk associated with an equity investment. The extent to which equity CRP exceeds the debt CRP (or "default spread") is directly related to the relative volatility of the local equity and bond markets.
- 22 The Stern School of Business at New York University frequently publishes debt and equity CRP estimates (as measured on a US dollar basis). The most recently published (July 2021) estimates for Malaysia, Thailand and Indonesia (as well as Australia) are summarised below:

CRPs – debt and equity				
Country	Bond yield differential method		CDS market method	
	Debt CRP <sup>(1)</sup> %	Equity CRP <sup>(2)</sup> %	Debt CRP <sup>(1)</sup> %	Equity CRP <sup>(2)</sup> %
Malaysia	0.99	1.01	0.61	0.62
Thailand	1.32	1.34	0.45	0.46
Indonesia	1.57	1.60	1.20	1.22
Australia	-	-	0.05	0.05

**Note:**

1 The "default spread" is measured on a US dollar basis.

2 Estimated by multiplying the Debt CRP by 1.02, being the estimate provided in the Stern Business School study of equity market volatility relative to debt for emerging markets.

**Source:** Stern School of Business at New York University: *Risk Premium for Other Markets* dataset published 1 July 2021.

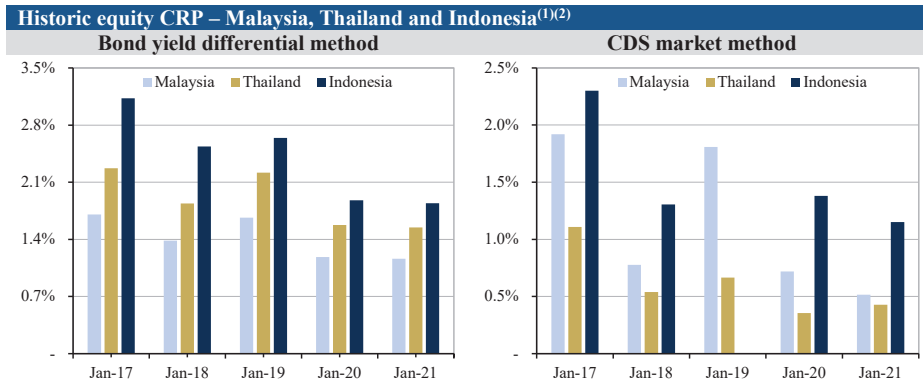
- 23 As the equity CRPs (calculated by the Stern School of Business) have been calculated on a US dollar basis and because we have adopted the Australian market as our reference point for the "mature market" cost of equity, the equity CRP for Australia (if any) must be deducted from the equity CRPs for Malaysia, Thailand and Indonesia (in order to derive the equity CRP differential between Australian and each country)<sup>91</sup>.
- 24 Based upon the above, the Stern Business School study therefore suggests that (relative to Australia) the equity CRPs for Malaysia, Thailand and Indonesia range between 0.57% to 1.01%, 0.41% to 1.34% and 1.17% to 1.60% respectively.
- 25 For contextual purposes, we also set out in the following charts the historic estimated equity CRPs for Indonesia, Thailand and Malaysia as published by the Stern School of Business over the last five years (again measured on a US dollar basis):

<sup>90</sup> For example, protection against failure must be triggered by a credit event (if there is no credit event, the buyer will not be compensated); the guarantee is only as good as the credit standing of the seller of the CDS (i.e. the CDS prices implicitly reflect counterparty risk); and the CDS market can be relatively illiquid.

<sup>91</sup> As at July 2021, there is no Australian equity CRP based upon the bond yield differential method and a relatively immaterial Australian equity CRP when determined by reference to the CDS market method.



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**Note:**

1 Based upon “default spreads” that were measured on a US dollar basis.

2 An equity CRP was not published for Indonesia in January 2019.

Source: Stern School of Business at New York University: *Risk Premium for Other Markets* datasets as at 5 January 2017, 1 January 2018, 2019, 2020 January 2021.

26 We note that the estimated equity CRPs for Malaysia, Thailand and Indonesia have generally decreased over the past five measurement dates, with the exception of January 2019 (where all countries experienced an increase). The reduction has been exaggerated by the decline in the equity risk multiplier which reduced from 1.23 in January 2017 to 1.10 in January 2021 (and again to 1.02 in July 2021).

**Qualitative risk rankings and ratings**

27 In assessing the appropriate CRP for Malaysia, Thailand and Indonesia we have also considered various qualitative measures of risk. These measures are summarised in the following table:

Qualitative risk rankings and ratings						
Country	Moody's <sup>(1)</sup>	Long-term ratings			Political Risk Services score <sup>(4)</sup>	OECD risk classification <sup>(5)</sup>
		S&P <sup>(2)</sup>	Fitch <sup>(3)</sup>			
Malaysia	A3	A-	BBB+	70 – 75	2	
Thailand	Baa1	BBB+	BBB+	65 – 70	3	
Indonesia	Baa2	BBB	BBB	65 – 70	3	
US	Aaa	AA+	AAA	70 – 75	n/a	
Australia	Aaa	AAA	AAA	75 – 80	n/a	

# Annexure 1 - Independent Expert's Report (continued)

## Appendix C

**Note:**

- 1 As at 22 October 2021.
- 2 As at 9 July 2021.
- 3 As at 6 October 2021.
- 4 As at June 2021. Political Risk Services provides a score for each country based on political, financial and economic risk. The scores range from zero to one hundred, with high scores indicating low risk.
- 5 As at 22 October 2021. Organisation for Economic Co-operation and Development (OECD) does not provide a classification for high income countries. OECD risk classifications reflect country risk (encompassing transfer and convertibility risk) and range between zero and seven, with zero indicating low risk.

n/a – not applicable.

**Source:** Moody's website, S&P website, Trading economics website, Stern School of Business at New York University and OECD website.

- 28 We note that the evidence in the table is consistent with the quantitative data, in that Indonesia is considered to have the highest degree of risk<sup>92</sup> and Malaysia the lowest<sup>93</sup>.

### **Conclusion on equity CRP**

- 29 Having regard to the above, we have adopted equity CRPs for Malaysia, Thailand and Indonesia of 0.5% to 1.0% and 1.0% to 1.5% and 1.5% to 2.0% respectively. It is important to note these CRPs do not include any allowance for the inflation rate differences that exist between Australia and each of the countries.

### **Calculation of cost of equity**

- 30 Based on the above, we have adopted the following (after tax) discount rate ranges for iCar's operations in Malaysia, Thailand and Indonesia:

<b>iCar – assessment of discount rate<sup>(1)</sup></b>						
<b>Parameters</b>	<b>Malaysia</b>		<b>Thailand</b>		<b>Indonesia</b>	
	<b>Low %</b>	<b>High %</b>	<b>Low %</b>	<b>High %</b>	<b>Low %</b>	<b>High %</b>
Beta (#)	1.2	1.3	1.2	1.3	1.2	1.3
MRP	6.5	6.5	6.5	6.5	6.5	6.5
Risk-free rate	3.0	3.0	3.0	3.0	3.0	3.0
Cost of equity	10.8	11.5	10.8	11.5	10.8	11.5
Additional risk premium	-	0.5	0.5	1.0	1.0	1.5
CRP	0.5	1.0	1.0	1.5	1.5	2.0
<b>Cost of equity including premiums</b>	<b>11.3</b>	<b>13.0</b>	<b>12.3</b>	<b>14.0</b>	<b>13.3</b>	<b>15.0</b>
<b>Midpoint</b>	<b>12.1</b>		<b>13.1</b>		<b>14.1</b>	
<b>Say (approximate midpoint)</b>	<b>12.0</b>		<b>13.0</b>		<b>14.0</b>	

**Note:**

- 1 Rounding differences may exist.

<sup>92</sup> The credit rating agencies assign Indonesia the lowest credit rating. Indonesia is also assessed as being of equal lowest risk (along with Thailand) by Political Risk Services and the OECD.

<sup>93</sup> Moody's and S&P assign the highest credit rating to Malaysia and Political Risk Services and the OECD consider it to be of lowest risk. Fitch considers Malaysia and Thailand to be of equal risk.

## Appendix C

- 31 It is important to note that because the discount rates have been developed using Australian “mature market” inputs (and reflect for example, Australian rates of inflation, not foreign rates of inflation), the discount rates must be applied to Australian dollar, not foreign currency, denominated cash flows (noting that we have converted iCar’s foreign currency cash flows into Australian dollars for the purposes of our DCF). If the discount rates are to be applied to foreign currency denominated cash flows, they must first be adjusted to reflect the different inflation rate expectations for Australia and the subject foreign country.

# Annexure 1 - Independent Expert's Report (continued)

## Appendix D

### Listed company descriptions

#### ASX listed online classified companies

##### REA Group Ltd

- 1 REA Group provides property and property-related services on websites and mobile apps across Australia and internationally. The company operates Australia's leading residential and commercial property websites (realestate.com.au and realcommercial.com.au), holds a controlling interest in REA India (operator of Housing.com, Makaan.com and PropTiger.com), and owns leading portals in Hong Kong (squarefoot.com.hk) and China (myfun.com). REA Group also holds a minority shareholding in Move (operator of realtor.com in the US), and the PropertyGuru Group, operator of leading property sites in Malaysia, Singapore, Thailand, Vietnam and Indonesia.

##### SEEK Ltd

- 2 Founded in Australia in 1997, SEEK is an Australian based operator of online employment marketplaces. It creates product technology solutions to address the needs of job seekers and hirers, and facilitates the matching between job seekers and hirers across its online employment marketplaces. The company is organised into two segments, being Asia Pacific & Americas (essentially its operating businesses) and Portfolio Investments (investments in early stage businesses and technologies in the human capital management market). SEEK employs more than 1,000 staff in Australia and over 10,000 staff globally.

##### carsales.com Ltd

- 3 Established in 1997, carsales.com is the largest online automotive, motorcycle and marine classifieds business in Australia. It employs over 600 staff in Australia and 1,200 globally, with interests in automotive classified businesses in Brazil, South Korea, Malaysia, Indonesia, Thailand and Mexico. The company's offering is enhanced by other value added services including software, specification data, vehicle news and reviews, stocking and pricing tools for dealers, data and insights for customers, inspections, finance and warranty services, and tyre products.

##### Domain Holdings Australia Limited

- 4 Domain Holdings Australia is a real estate media and technology services business focused on the Australian property market. The business offers residential and commercial property marketing services, as well as digital subscriptions and advertisements. In addition, the company provides services to real estate agencies through property data and research subscriptions, property inspection management tools and digital end-to-end solutions. Domain Holdings Australia also provides printed listings and editorial through the Domain, Domain Prestige, Allhomes and Domain Review magazines.

##### Frontier Digital Ventures Ltd

- 5 Founded in May 2014, and headquartered in Kuala Lumpur, Malaysia, Frontier Digital Ventures focuses on developing online classifieds businesses in underdeveloped emerging countries or regions. The company targets property, automotive and general marketplaces, and has helped develop successful automotive portals such as Carlist.my, One2car.com and



## Appendix D

mobil123.com<sup>94</sup>. Frontier Digital Ventures' portfolio currently consists of 16 partner companies, such as InfoCasas, the leading property portal in Uruguay and Paraguay, Moteur.ma, the leading automotive platform in Morocco, and Carsdb.com, the leading automotive portal in Myanmar.

### Online classified and digital automotive companies

#### Carvana Co

- 6 Carvana is a leading ecommerce platform for buying and selling used cars and is known for its multi-storey car vending machines. Through the company's platform (through desktop or mobile devices), US consumers can research and identify a vehicle, inspect it using its 360-degree vehicle imaging technology, obtain and secure financing and warranty coverage, purchase the vehicle and schedule delivery or pick-up. Its in-house distribution network serves over 266 US metropolitan markets.

#### Cazoo Group Ltd

- 7 Cazoo Group is an online car retailer. It allows customers to buy, sell or finance vehicles, or subscribe to a car (which includes a new car, insurance, maintenance, servicing and tax for a flat monthly fee), online. Its portfolio of cars includes Audi, BMW, Ford, Land Rover, Mercedes-Benz, Nissan, Volkswagen, Skoda and Fiat. Cazoo Group also offers various forms of car financing and offers vehicle part-exchanges (where an existing vehicle is exchanged as credit for another vehicle). In addition, Cazoo Group offers car care services, such as extended warranty and paint and fabric protection. The company employs over 2,000 people across the United Kingdom (UK), Germany, France and Portugal.

#### Auto Trader Group Plc

- 8 Based in the UK, Auto Trader Group operates the UK and Ireland's largest digital automotive marketplace, listing 485,000 cars each day on average through partnerships with more than 13,300 retailers. The company's platform offers consumers a selection of new and used car listings as well as free car valuations, and a variety of motoring services and advice to consumers. Auto Trader Group also offers data intelligence solutions that enable retailers to buy stock at the right price, and provides marketing solutions to help dealers deliver personalised digital marketing strategies.

#### CarGurus Inc

- 9 CarGurus is a global, online automotive marketplace that connects buyers and sellers of new and used cars. The company's marketplace provides consumers with third-party validation on pricing and dealer reputation, as well as other information to assist with finding car deals. It has the largest number of car listings available on any major US online automotive marketplace, and also operates online marketplaces under the CarGurus brand in Canada and the UK. CarGurus also operate two online marketplaces as independent brands, being PistonHeads in the UK, and Autolist in the US.

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<sup>94</sup> All three of these portals were sold to iCar.

## Annexure 1 - Independent Expert's Report (continued)

LONERGAN EDWARDS  
& ASSOCIATES LIMITED

### Appendix D

#### **Cartrade Tech Ltd**

- 10 Cartrade Tech is an Indian based automotive platform with coverage and presence across vehicle types and value-added services. The company's platform operates under several brands, including CarWale, CarTrade, Shriram Automall, CarTradeExchange, BikeWale, Adroit Auto and AutoBiz. Through these platforms, Cartrade enables new and used automobile customers, vehicle dealerships, original equipment manufacturers and other businesses to buy and sell vehicles in a simple and efficient manner.

## Descriptions of transactions

### Online classified and digital automotive transactions

#### Trader Interactive

- 1 carsales.com announced it was acquiring Trader Interactive during May 2021 for US\$1. billion. Founded in CY10, Trader Interactive is a leading branded marketplaces platform in the US, providing digital marketing solutions and services across the commercial truck, recreational vehicle, powersports, and equipment industries. Trader Interactive offers marketplace services across listing subscriptions, private party listings, brand advertising, listing enhancements, as well as offering dealer services and data insights to customers. Its customer base includes over 8,500 dealers and 49 original equipment manufacturers, and in CY20 it had an average of over 13 million monthly unique visitors.

#### ALG business of Truecar

- 2 On 6 August 2020, JD Power acquired the ALG business from Truecar for US\$135 million. ALG has operated for over 50 years in the US and Canada as a data provider to the automotive industry. It delivers accurate and reliable residual value forecasts used by automotive manufacturers, lenders, lessors, dealers and software providers to determine the residual value of an automobile at given points in time in the future. In addition, financial institutions use ALG's information to measure exposure and risk across loan, lease and fleet portfolios.

#### AutoScout24

- 3 On 17 December 2019, Hellman & Friedman acquired AutoScout24 for €2.84 billion. Founded in 1998, AutoScout24 allows users to easily find, buy and finance cars, motorcycles, caravans and utility vehicles. In addition to vehicles, AutoScout24 provides relevant car related information, including reviews on the latest car models, reports on used car checks, vehicle data, equipment versions and price information. The company is headquartered in Munich, Germany and operates in 18 European markets, including Russia, France, Spain and Italy.

#### SK Encar<sup>95</sup>

- 4 This acquisition of SK Encar by carsales.com was undertaken in two stages, detailed as follows:
  - (a) on 6 March 2014, carsales.com acquired a 49.9% interest in SK Encar, valuing 100% of the company at approximately A\$253 million
  - (b) on 20 November 2017, carsales.com signed a binding memorandum of understanding to acquire the remaining 50.1% of SK Encar, valuing 100% of the company at approximately A\$487 million.
- 5 SK Encar is South Korea's number one online auto classifieds business. The company generates revenue across its dealer, private and display advertising channels. It also offers

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<sup>95</sup> Formerly SE ENCARSALES.COM

# Annexure 1 - Independent Expert's Report (continued)

LONERGAN EDWARDS  
& ASSOCIATES LIMITED

## Appendix E

associated data and online automotive products, as well as owning physical car dealership assets.

### IronPlanet

- 6 On 29 August 2016, Ritchie Bros Auctioneers announced the acquisition of US based IronPlanet for US\$759 million. Founded in 1999, IronPlanet is a leading online marketplace for the sale of used heavy equipment and other durable assets. The company largely provides equipment disposition solutions for corporate accounts, equipment manufacturers, dealers and government entities. It conducts its sales primarily through online platforms, including non-company owned equipment marketplaces. IronPlanet sold approximately US\$787 million of gross merchandise value through its sales channels during CY15.

### Auto Trader Group

- 7 In January 2014, Apax Partners acquired the 50.1% of Auto Trader Group that it did not already own, valuing 100% of the business at £1.754 billion (including assumed debt)<sup>96</sup>. Auto Trader Group operates the UK's number one motoring website and digital marketplace, and at the time of the acquisition had over 11.5 million monthly unique users carrying out over 139 million searches on more than 360,000 new and used vehicles.

### Online classified transactions in south east Asia

#### JobStreet

- 8 SEEK acquired the online employment businesses of JobStreet Corporation Berhad for approximately A\$636 million on 21 November 2014. Incorporated in 1997 and listed on the Malaysian stock exchange in 2004, JobStreet is an online employment marketplace that operates in Malaysia, Singapore, Indonesia, Vietnam and the Philippines. At the date of acquisition, the platform had over 10 million jobseekers and around 70,000 employers using its services.

#### One2Car.com

- 9 On 13 November 2014, iCar announced the acquisition of One2Car.com, Thailand's leading automotive website, for approximately A\$18 million. At the time of acquisition, One2car.com attracted an audience of 1.2 million unique viewers, with over 36,000 used car listings from 1,800 car dealers in the greater Bangkok region (which represented close to 90% of the dealers in the greater Bangkok region).

#### iProperty Group

- 10 On 22 January 2014, REA Group announced the acquisition of iProperty Group for A\$751 million. Listed on the ASX, iProperty Group owned and operated Asia's number one network of property websites under the iProperty.com umbrella brand. These website included market leading real estate portals in Malaysia, Thailand, Indonesia, the Hong Kong region, whilst it also owed a leading portal in Singapore.

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<sup>96</sup> Auto Trader Group subsequently listed on the London Stock Exchange in March 2015.



## Glossary

Term	Meaning
1H	Half year to 30 June
A\$ / AUD	Australian dollar
AASB 16	Australian Accounting Standard AASB 16 – <i>Leases</i>
AFCA	Australian Financial Complaints Authority
Agreement	Scheme Implementation Deed dated 16 October 2021
ARPA	Average revenue per account
ASEAN	Association of Southeast Asian Nations
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
Autohome	Autohome Inc
Bank Indonesia	Indonesian central bank
CAGR	Compound annual growth rate
CAPM	Capital asset pricing model
Carmudi	Carmudi Indonesia
Carsome	Carsome Group Pte Ltd
Carsome Group	Any member of the Carsome group of companies
Catcha	Catcha Group Pte Ltd
Catcha Entities	Catcha and its subsidiary ICQ Holdings Bhd
CDS	Credit default swap
CGU	Cash generating unit
Corporations Act	<i>Corporations Act 2001 (Cth)</i>
Corporations Regulations	<i>Corporations Regulations 2001</i>
CRP	Country risk premium
CY	Year to 31 December
D2 Preference Shares	D2 redeemable / convertible preference shares in Carsome
DCF	Discounted cash flow
DD	Due diligence
EBIT	Earnings before interest and tax
EBITA	Earnings before interest, tax and amortisation of acquired intangibles
EBITDA	Earnings before interest, tax depreciation and amortisation
EV	Enterprise value
FSG	Financial Services Guide
FY	Financial year
GDP	Gross domestic product
GMV	Gross merchant value
IBC	Independent Board Committee
iCar / the Company	iCar Asia Limited
IDR	Indonesia Rupiah
IER	Independent expert's report
IFRS	International Financial Reporting Standards
Indicative Autohome Proposal	Non-binding proposal from Autohome to acquire 100% of the shares in iCar for A\$0.50 cash per share
Indicative Carsome Proposal	Conditional, non-binding and indicative proposal from Carsome to acquire all the ordinary shares of iCar that Carsome and its associates do not already own for cash consideration of A\$0.55 per share
Joint Bid Agreement	Joint Bid Agreement between Carsome and Catcha dated 11 July 2021
LEA	Loneragan Edwards & Associates Limited
MCO	Movement Control Order

# Annexure 1 - Independent Expert's Report (continued)

## Appendix F

Term	Meaning
MRP	Market risk premium
MYR	Malaysian Ringgit
NPV	Net present value
NYSE	New York Stock Exchange
OECD	Organisation for Economic Co-operation and Development
Performance Rights	iCar equity entitlements
PM Capital	PM Capital Limited Group
Revised Carsome Proposal	Carsome revised offer price of between A\$0.53 and A\$0.54 cash per share
RG 111	Regulatory Guide 111 – <i>Content of expert reports</i>
RSQ	R-squared
Sale Agreement	Share Sale Agreement between Carsome and the Catcha Entities dated 11 July 2021
Scheme	Scheme of arrangement between iCar and its shareholders pursuant to which Carsome will acquire all the issued shares in iCar that it and its associates do not already own
Scheme Consideration	A\$0.53 cash per iCar share held on the Scheme Record Date
Scheme Shareholders	iCar shareholders other than any member of the Carsome Group and the Catcha Entities
THB	Thai Baht
TIV	Total industry volume
TV	Terminal value
UK	United Kingdom
US	United States of America
US GAAP	US generally accepted accounting principles
US\$ / USD	US dollar
VWAP	Volume weighted average price
WANOS	Weighted average number of shares outstanding
YTD	Year to date

## **Annexure 2 - Scheme of arrangement**

## Annexure 2 - Scheme of arrangement (continued)



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### Scheme of arrangement

iCar Asia Limited

Scheme Shareholders

ANZ Tower 161 Castlereagh Street Sydney NSW 2000 Australia  
GPO Box 4227 Sydney NSW 2001 Australia

T +61 2 9225 5000 F +61 2 9322 4000  
herbertsmithfreehills.com DX 361 Sydney





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SMITH  
FREEHILLS

## Scheme of arrangement

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

iCar Asia Limited ACN 157 710 846 (**iCar**) of Suite 4201, Level 42,  
264 George Street, Sydney NSW 2000, Australia

The Scheme Shareholders

### 1 Definitions, interpretation and scheme components

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#### 1.1 Definitions

Schedule 1 contains definitions used in this Scheme.

#### 1.2 Interpretation

Schedule 1 contains interpretation rules for this Scheme.

#### 1.3 Scheme components

This Scheme includes any schedule to it.

### 2 Preliminary matters

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- (a) iCar is a public company limited by shares, registered in Victoria, Australia, and has been admitted to the official list of the ASX. iCar Shares are quoted for trading on the ASX.
- (b) As at the date of the Implementation Deed, there were on issue:
  - (1) 449,830,496 iCar Shares;
  - (2) the iCar Options; and
  - (3) the iCar Performance Rights.
- (c) Carsome is a company limited by shares registered in Singapore.
- (d) If this Scheme becomes Effective:

## Annexure 2 - Scheme of arrangement (continued)



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3 Conditions

- (1) Carsome must provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and
- (2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Carsome and iCar will enter the name of Carsome in the Share Register in respect of the Scheme Shares.
- (e) iCar and Carsome have agreed, by executing the Implementation Deed, to implement this Scheme.
- (f) This Scheme attributes actions to Carsome but does not itself impose an obligation on it to perform those actions. Carsome has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

### 3 Conditions

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#### 3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions in clause 3.1 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by iCar and Carsome;
- (d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by iCar and Carsome having been satisfied or waived; and
- (e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act on or before the End Date (or any later date iCar and Carsome agree in writing).

#### 3.2 Certificate

- (a) iCar and Carsome will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.



### 3.3 End Date

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless iCar and Carsome otherwise agree in writing.

## 4 Implementation of this Scheme

---

### 4.1 Lodgement of Court orders with ASIC

iCar must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible after the Court approves this Scheme and in any event by no later than 5.00pm on the first Business Day after the date on which the Court order was made (or such later date as agreed in writing by Carsome).

### 4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clauses 5.1(b) and 5.1(c), the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Carsome, without the need for any further act by any Scheme Shareholder (other than acts performed by iCar as attorney and agent for Scheme Shareholders under clause 8.5), by:
  - (1) iCar delivering to Carsome a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by iCar as attorney and agent, for registration; and
  - (2) Carsome duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to iCar for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), but subject to the stamping of the Scheme Transfer (if required), iCar must enter, or procure the entry of, the name of Carsome in the Share Register in respect of all the Scheme Shares transferred to Carsome in accordance with this Scheme.

## 5 Scheme Consideration

---

### 5.1 Provision of Scheme Consideration

- (a) Carsome must, and iCar must use its best endeavours to procure that Carsome does, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme

## Annexure 2 - Scheme of arrangement (continued)



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5 Scheme Consideration

Shareholders into an Australian dollar denominated trust account with an ADI operated by iCar as trustee for the Scheme Shareholders (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Carsome's account).

- (b) On the Implementation Date, subject to funds having been deposited in accordance with clause 5.1(a), iCar must pay or procure the payment of the Scheme Consideration from the trust account referred to in clause 5.1(a) to each Scheme Shareholder.
- (c) The obligations of iCar under clause 5.1(b) will be satisfied by iCar (in its absolute discretion, and despite any election referred to in clause 5.1(c)(1) or authority referred to in clause 5.1(c)(2) made or given by the Scheme Shareholder):
  - (1) if a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the iCar Registry to receive dividend payments from iCar by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
  - (2) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Shareholder by an appropriate authority from the Scheme Shareholder to iCar; or
  - (3) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2).
- (d) To the extent that, following satisfaction of iCar's obligations under clause 5.1(b), there is a surplus in the amount held by iCar as trustee for the Scheme Shareholders in the trust account referred to in that clause, that surplus may be paid by iCar to Carsome.

### 5.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 5.1(c), any Scheme Consideration payable in respect of those Scheme Shares is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of iCar, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders (unless the joint holders have nominated a bank account under clauses 5.1(c)(1) or 5.1(c)(2), in which case the amount must be deposited directly to the nominated bank account of the joint holders); and
- (b) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of iCar, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

### 5.3 Fractional entitlements

Where the calculation of the Scheme Consideration to be provided to a particular Scheme Shareholder would result in that Scheme Shareholder becoming entitled to a





fraction of a cent, the fractional entitlement will be rounded down to the nearest whole cent.

#### 5.4 Unclaimed monies

- (a) iCar may cancel a cheque issued under this clause 5 if the cheque:
  - (1) is returned to iCar; or
  - (2) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to iCar (or the iCar Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), iCar must reissue a cheque that was previously cancelled under this clause 5.4.
- (c) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in sections 7 and 8 of the *Unclaimed Money Act 1995* (NSW)).

#### 5.5 Orders of a court or Government Agency

If written notice is given to iCar (or the iCar Registry) or Carsome of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires consideration to be provided to a third party through payment of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder by iCar in accordance with this clause 5, then iCar shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents iCar from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment of such consideration is otherwise prohibited by applicable law, iCar shall be entitled to retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration, until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law.

## 6 Dealings in iCar Shares

---

### 6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in iCar Shares or other alterations to the Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHES, the transferee is registered in the Share Register as the holder of the relevant iCar Shares before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received before the Scheme Record Date at the place where the Share Register is kept,

## Annexure 2 - Scheme of arrangement (continued)



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7 Quotation of iCar Shares

and iCar must not accept for registration, nor recognise for any purpose (except a transfer to Carsome pursuant to this Scheme and any subsequent transfer by Carsome or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

### 6.2 Register

- (a) iCar must register registrable transmission applications or transfers of the Scheme Shares that are received in accordance with clause 6.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires iCar to register a transfer that would result in an iCar Shareholder holding a parcel of iCar Shares that is less than a 'marketable parcel' (for the purposes of this clause 6.2(a) 'marketable parcel' has the meaning given in the Operating Rules).
- (b) If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and iCar shall be entitled to disregard any such disposal, purported disposal or agreement.
- (c) For the purpose of determining entitlements to the Scheme Consideration, iCar must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for iCar Shares (other than statements of holding in favour of Carsome or any Excluded Shareholders) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries on the Share Register in respect of Carsome or any Excluded Shareholders) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the iCar Shares relating to that entry.
- (e) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, iCar will ensure that details of the names, Registered Addresses and holdings of iCar Shares for each Scheme Shareholder as shown in the Share Register are available to Carsome in the form Carsome reasonably requires.

### 7 Quotation of iCar Shares

---

- (a) iCar must apply to ASX to suspend trading on the ASX in iCar Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Carsome, iCar must apply:
  - (1) for termination of the official quotation of iCar Shares on the ASX; and
  - (2) to have itself removed from the official list of the ASX.



## 8 General Scheme provisions

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### 8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) iCar may, by its counsel, consent on behalf of all persons concerned to those alterations or conditions to which Carsome has consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which iCar has consented to.

### 8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
  - (1) agrees to the transfer of their iCar Shares together with all rights and entitlements attaching to those iCar Shares in accordance with this Scheme;
  - (2) agrees to the variation, cancellation or modification of the rights attached to their iCar Shares constituted by or resulting from this Scheme;
  - (3) agrees to, on the direction of Carsome, destroy any holding statements or share certificates relating to their iCar Shares;
  - (4) who holds their iCar Shares in a CHESS Holding agrees to the conversion of those iCar Shares to an Issuer Sponsored Holding and irrevocably authorises iCar to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion; and
  - (5) acknowledges and agrees that this Scheme binds iCar and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to iCar and Carsome on the Implementation Date, and appointed and authorised iCar as its attorney and agent to warrant to Carsome on the Implementation Date, that:
  - (1) all their iCar Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their iCar Shares to Carsome together with any rights and entitlements attaching to those shares. iCar undertakes that it will provide such warranty to Carsome as agent and attorney of each Scheme Shareholder; and
  - (2) they have no existing right to be issued any iCar Shares, iCar Equity Incentives or any other iCar equity securities. iCar undertakes that it will provide such warranty to Carsome as agent and attorney of each Scheme Shareholder.

## Annexure 2 - Scheme of arrangement (continued)



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8 General Scheme provisions

### 8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Carsome will, at the time of transfer of them to Carsome vest in Carsome free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clauses 5.1(b) and 5.1(c), Carsome will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by iCar of Carsome in the Share Register as the holder of the Scheme Shares.

### 8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clauses 5.1(b) and 5.1(c), and until iCar registers Carsome as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:

- (a) is deemed to have appointed Carsome as attorney and agent (and directed Carsome in each such capacity) to appoint any director, officer, secretary or agent nominated by Carsome as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document;
- (b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Carsome reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), Carsome and any director, officer, secretary or agent nominated by Carsome under clause 8.4(a) may act in the best interests of Carsome as the intended registered holder of the Scheme Shares.

### 8.5 Authority given to iCar

Each Scheme Shareholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints iCar and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Carsome, and iCar undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Carsome on behalf of and as agent and attorney for each Scheme Shareholder; and
- (b) on the Implementation Date, irrevocably appoints iCar and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the





transactions contemplated by it, including (without limitation) executing the Scheme Transfer,

and iCar accepts each such appointment. iCar as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

### **8.6 Binding effect of Scheme**

This Scheme binds iCar and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of iCar.

## **9 General**

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### **9.1 Stamp duty**

Carsome:

- (a) must pay all stamp duty and any fines and penalties with respect to stamp duty in respect of this Scheme or the Deed Poll or the steps to be taken under this Scheme or the Deed Poll; and
- (b) indemnifies each Scheme Shareholder against any liability arising from its failure to comply with clause 9.1(a).

### **9.2 Consent**

Each of the Scheme Shareholders consents to iCar doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, iCar or otherwise.

### **9.3 Notices**

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to iCar, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at iCar's registered office or at the office of the iCar Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by an iCar Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

### **9.4 Governing law**

- (a) This Scheme is governed by the laws in force in New South Wales, Australia.
- (b) The parties irrevocably submit to the exclusive jurisdiction of courts exercising jurisdiction in New South Wales, Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in

## Annexure 2 - Scheme of arrangement (continued)



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9 General

these courts on the basis that the process has been brought in an inconvenient forum.

### **9.5 Further action**

iCar must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

### **9.6 No liability when acting in good faith**

Each Scheme Shareholder agrees that neither iCar nor Carsome nor any director, officer, secretary or employee of iCar or Carsome shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.



## Schedule 1

### Definitions and interpretation

---

#### 1 Definitions

---

The meanings of the terms used in this Scheme are set out below.

<b>Term</b>	<b>Meaning</b>
<b>ADI</b>	authorised deposit-taking institution (as defined in the <i>Banking Act 1959</i> (Cth)).
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
<b>Business Day</b>	a day which is not a Saturday, Sunday, public holiday or bank holiday in Sydney, Australia or Singapore.
<b>Carsome</b>	Carsome Group Pte. Ltd. (UEN 202020792D) of 24 Ean Kiam Place, Singapore 429115.
<b>Carsome Group</b>	Carsome and each of its Subsidiaries, and a reference to a <b>Carsome Group Member</b> or a <b>member of the Carsome Group</b> is to Carsome or any of its Subsidiaries.
<b>CHES</b>	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
<b>CHES Holding</b>	has the meaning given in the Settlement Rules.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).

## Annexure 2 - Scheme of arrangement (continued)



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Schedule 1 Definitions and interpretation

<b>Term</b>	<b>Meaning</b>
<b>Court</b>	the Supreme Court of New South Wales, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Carsome and iCar.
<b>Deed Poll</b>	the deed poll dated 5 December 2021 executed by Carsome substantially in the form of Attachment 4 to the Implementation Deed under which Carsome covenants in favour of the Scheme Shareholders to perform the obligations attributed to Carsome under this Scheme.
<b>Effective</b>	when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme.
<b>Effective Date</b>	the date on which this Scheme becomes Effective.
<b>End Date</b>	<ol style="list-style-type: none"><li>1 the date which is 6 months after the date of the Implementation Deed; or</li><li>2 such other date as agreed in writing between Carsome and iCar.</li></ol>
<b>Excluded Shareholder</b>	<ol style="list-style-type: none"><li>1 any iCar Shareholder who is a member of the Carsome Group as at the Scheme Record Date;</li><li>2 ICQ Holdings Bhd (Company Number: 20160103960) of 45-7 The Boulevard, Mid Valley City, 59200 Kuala Lumpur, Malaysia; and</li><li>3 Catcha Group Pte. Ltd of 3 Raffles Place, #06-01 Bharat Building, Singapore 048617.</li></ol>
<b>Government Agency</b>	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
<b>iCar</b>	iCar Asia Limited ACN 157 710 846 of Suite 4201, Level 42, 264 George Street, Sydney NSW 2000, Australia.
<b>iCar Equity Incentive</b>	any rights to iCar Shares issued under employee incentive arrangements of iCar (including options and performance rights).





<b>Term</b>	<b>Meaning</b>
<b>iCar Option</b>	has the meaning given in the Implementation Deed.
<b>iCar Performance Rights</b>	has the meaning given in the Implementation Deed.
<b>iCar Registry</b>	Boardroom Pty Limited ABN 14 003 209 836.
<b>iCar Share</b>	a fully paid ordinary share in the capital of iCar.
<b>iCar Shareholder</b>	each person who is registered as the holder of an iCar Share in the Share Register.
<b>Implementation Date</b>	the third Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as agreed in writing by iCar and Carsome
<b>Implementation Deed</b>	the scheme implementation deed dated 16 October 2021 between iCar and Carsome relating to the implementation of this Scheme.
<b>Issuer Sponsored Holding</b>	has the meaning given in the Settlement Rules.
<b>Listing Rules</b>	the official listing rules of ASX.
<b>Operating Rules</b>	the official operating rules of ASX.
<b>Registered Address</b>	in relation to an iCar Shareholder, the address shown in the Share Register as at the Scheme Record Date.
<b>Scheme</b>	this scheme of arrangement under Part 5.1 of the Corporations Act between iCar and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by iCar and Carsome.
<b>Scheme Consideration</b>	the consideration to be provided by or on behalf of Carsome to each Scheme Shareholder for the transfer to Carsome of each Scheme Share, being \$0.53 cash for each iCar Share held by a Scheme Shareholder as at the Scheme Record Date.

# Annexure 2 - Scheme of arrangement (continued)



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Schedule 1 Definitions and interpretation

Term	Meaning
<b>Scheme Meeting</b>	the meeting of the iCar Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
<b>Scheme Record Date</b>	7.00pm on the third Business Day after the Effective Date or such other time and date as the parties agree in writing.
<b>Scheme Shareholder</b>	a holder of iCar Shares recorded in the Share Register as at the Scheme Record Date (other than an Excluded Shareholder).
<b>Scheme Shares</b>	all iCar Shares held by the Scheme Shareholders as at the Scheme Record Date.
<b>Scheme Transfer</b>	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Carsome as transferee, which may be a master transfer of all or part of the Scheme Shares.
<b>Second Court Date</b>	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
<b>Settlement Rules</b>	the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.
<b>Share Register</b>	the register of members of iCar maintained in accordance with the Corporations Act.
<b>Subsidiary</b>	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.

## 2 Interpretation

In this Scheme:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and the plural includes the singular;



- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney, Australia;
- (k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1 of this Schedule 1, has the same meaning when used in this Scheme;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (n) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (o) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
  - (1) which ceases to exist; or
  - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (p) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (r) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and
- (s) a reference to the Listing Rules, Settlement Rules and the Operating Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

## Annexure 2 - Scheme of arrangement (continued)



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Schedule 1 Definitions and interpretation

### 3 Interpretation of inclusive expressions

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Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

### 4 Business Day

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Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.



## **Annexure 3 - Deed Poll**

# Annexure 3 - Deed Poll (continued)



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## Deed

Execution version

## Deed poll

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Carsome Group Pte. Ltd.

3465-9163-3431v1

ANZ Tower 161 Castlereagh Street Sydney NSW 2000 Australia T +61 2 9225 5000 F +61 2 9322 4000  
GPO Box 4227 Sydney NSW 2001 Australia herbertsmithfreehills.com DX 361 Sydney

## Deed poll

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Date ► 5 December 2021

This deed poll is made

---

By **Carsome Group Pte. Ltd.**  
**(UEN 202020792D)**  
24 Ean Kiam Place, Singapore 429115  
**(Carsome)**

in favour of each person registered as a holder of fully paid ordinary shares in iCar in the Share Register as at the Scheme Record Date (other than the Excluded Shareholders).

Recitals

- 1 iCar and Carsome entered into the Implementation Deed.
- 2 In the Implementation Deed, Carsome agreed to make this deed poll.
- 3 Carsome is making this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform their obligations under the Implementation Deed and the Scheme.

---

This deed poll provides as follows:

---

## 1 Definitions and interpretation

---

### 1.1 Definitions

(a) The meanings of the terms used in this deed poll are set out below.

Term	Meaning
<b>First Court Date</b>	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

---

# Annexure 3 - Deed Poll (continued)



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## 2 Conditions to obligations

Term	Meaning
iCar	iCar Asia Limited ACN 157 710 846.
Implementation Deed	the scheme implementation deed entered into between iCar and Carsome dated 16 October 2021.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between iCar and the Scheme Shareholders, substantially in the form set out in Attachment 1, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Carsome and iCar.

- (b) Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

### 1.2 Interpretation

Clauses 2, 3 and 4 of Schedule 1 of the Scheme apply to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

### 1.3 Nature of deed poll

Carsome acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints iCar and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Carsome.

## 2 Conditions to obligations

### 2.1 Conditions

This deed poll and the obligations of Carsome under this deed poll are subject to the Scheme becoming Effective.

### 2.2 Termination

The obligations of Carsome under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect if:

- (a) the Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme is not Effective on or before the End Date,

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Share scheme deed poll

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unless Carsome and iCar otherwise agree in writing.

### 2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Carsome is released from its obligations to further perform this deed poll; and
- (b) each Scheme Shareholder retains the rights they have against Carsome in respect of any breach of this deed poll which occurred before it was terminated.

## 3 Scheme obligations

---

### 3.1 Undertaking to be bound by the Scheme

Carsome covenants in favour of each Scheme Shareholder to observe and perform all obligations and actions attributed to it under the Scheme, subject to and in accordance with the terms of the Scheme.

### 3.2 Undertaking to pay Scheme Consideration and be bound by the Scheme

Subject to clause 2, Carsome undertakes in favour of each Scheme Shareholder to:

- (a) deposit, or procure the deposit of, in cleared funds, by no later than the Business Day before the Implementation Date, an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders under the Scheme into an Australian dollar denominated trust account with an ADI operated by iCar as trustee for those Scheme Shareholders (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Carsome's account); and
- (b) undertake all other actions, and give each acknowledgement, representation and warranty (if any), attributed to each of them under the Scheme,

subject to and in accordance with the terms of the Scheme.

## 4 Warranties

---

Carsome represents and warrants in favour of each Scheme Shareholder, in respect of itself, that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;

# Annexure 3 - Deed Poll (continued)



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## 5 Continuing obligations

- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

## 5 Continuing obligations

---

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Carsome has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

## 6 Notices

---

### 6.1 Form of Notice

A notice or other communication in respect of this deed poll (**Notice**) must be:

- (a) in writing and in English and signed by or on behalf of the sending party; and
- (b) addressed to Carsome in accordance with the details set out below (or any alternative details nominated by Carsome by Notice).

<b>Attention</b>	Eric Cheng
<b>Address</b>	24 Ean Kiam Place, Singapore 429115
<b>Email address</b>	eric@carsome.my

### 6.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

<b>Method of giving Notice</b>	<b>When Notice is regarded as given and received</b>
By hand to the nominated address	When delivered to the nominated address



Method of giving Notice	When Notice is regarded as given and received
By pre-paid post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By email to the nominated email address	The first to occur of: <ol style="list-style-type: none"><li>1 the sender receiving an automated message confirming delivery; or</li><li>2 two hours after the time that the email was sent (as recorded on the device from which the email was sent) provided that the sender does not, within the period, receive an automated message that the email has not been delivered.</li></ol>

### 6.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than email as permitted in clause 6.2).

## 7 General

### 7.1 Stamp duty

Carsome:

- (a) must pay all stamp duty and any fines and penalties with respect to stamp duty in respect of the Scheme or this deed poll or the steps to be taken under the Scheme or this deed poll; and
- (b) indemnifies each Scheme Shareholder against any liability arising from its failure to comply with clause 7.1(a).

### 7.2 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in New South Wales, Australia.
- (b) Carsome irrevocably submits to the exclusive jurisdiction of courts exercising jurisdiction in New South Wales, Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll. Carsome irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

### 7.3 Service of process

- (a) Without preventing any other mode of service, any document in an action (including any writ of summons or other originating process or any third or other party notice) may be served on Carsome by being delivered to or left for that party at its address for service of Notices under clause 6.

# Annexure 3 - Deed Poll (continued)



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- (b) Carsome irrevocably appoints Corrs Chambers Westgarth (of Level 17, 8 Chifley, 8-12 Chifley Square, Sydney NSW 2000, Australia) as its agent for the service of process in Australia in relation to any matter arising out of this deed poll. If Corrs Chambers Westgarth ceases to be able to act as such or have an address in Australia, Carsome agrees to appoint a new process agent in Australia and deliver to iCar within 5 Business Days a copy of a written acceptance of appointment by the process agent, upon receipt of which the new appointment becomes effective for the purpose of this deed poll. Carsome must inform iCar in writing of any change in the address of its process agent within 5 Business Days of the change.

## 7.4 Waiver

- (a) Carsome may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) No Scheme Shareholder may rely on words or conduct of Carsome as a waiver of any right unless the waiver is in writing and signed by Carsome. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (c) The meanings of the terms used in this clause 7.4 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this deed poll and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

## 7.5 Variation

A provision of this deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by iCar; or
- (b) if on or after the First Court Date, the variation is agreed to by iCar and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Carsome will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

## 7.6 Cumulative rights

The rights, powers and remedies of Carsome and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

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Share scheme deed poll

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**7.7 Assignment**

- (a) The rights created by this deed poll are personal to Carsome and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Carsome.
- (b) Any purported dealing in contravention of clause 7.7(a) is invalid.

**7.8 Further action**

Carsome must, at its own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

## Annexure 3 - Deed Poll (continued)



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### Attachment 1

#### Scheme

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Attached.

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Share scheme deed poll

page 1



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## Signing page

Executed as a deed poll

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EXECUTED and DELIVERED as a Deed  
as intended to be on the date specified  
above

For and on behalf of  
**Carsome Group Pte. Ltd.**  
**UEN 202020792D**



**CARSOME** Carsome Group Pte. Ltd. (202020792D)  
24, Ean Kiam Place Singapore 428115

By:

sign here ▶

**Director**

**Cheng Kee Choon**  
**Director**

print name

In the presence of:

sign here ▶

**Witness**

print name

Lum Kar Kit

print address

# Annexure 4 - Notice of Scheme Meeting



## Notice of Scheme Meeting

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iCar Asia Limited (ACN 157 710 846) (**iCar**)

Notice is hereby given that, by an order of the Supreme Court of New South Wales made on Wednesday, 8 December 2021, pursuant to subsection 411(1) of the Corporations Act, a meeting of Independent iCar Shareholders will be held at 2:00pm (Sydney time) on Monday, 31 January 2022 (**Scheme Meeting**).

Having regard to the uncertainty and potential health risks associated with large gatherings during the COVID-19 pandemic, Independent iCar Shareholders will not be able to attend the Scheme Meeting in person. Independent iCar Shareholders and their authorised proxies, attorneys and corporate representatives may participate in the Scheme Meeting online at <https://web.lumiagm.com/399-348-405>. Independent iCar Shareholders who participate in the Scheme Meeting via the online platform will be able to watch the Scheme Meeting, cast an online vote and ask questions online.

Further details on how to participate in the Scheme Meeting via the online platform are set out in the explanatory notes that accompany and form part of this Notice of Scheme Meeting and in the Scheme Meeting Online Guide which has been released to the ASX and will be available at <https://www.icarasia.com/investor-corp>.

### Purpose of the Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without amendment or any alterations or conditions required by the Court to which iCar and Carsome agree) proposed to be made between iCar and Independent iCar Shareholders (the **Scheme**).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this notice forms part. Additional information about the Scheme Meeting is set out in the explanatory notes that accompany and form part of this notice. Capitalised terms used but not defined in this notice have the defined meanings set out in section 11.1 of the Scheme Booklet, unless the context otherwise requires.

### Scheme Resolution

The Scheme Meeting will be asked to consider and, if thought fit, pass (with or without amendment) the following resolution (**Scheme Resolution**):

'That, pursuant to and in accordance with the provisions of section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between iCar Asia Limited and the holders of its ordinary shares (other than certain Excluded Shareholders), as contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Supreme Court of New South Wales to which iCar Asia Limited and Carsome Group Pte. Ltd. agree.'

## Annexure 4 - Notice of Scheme Meeting (continued)

### Scheme Meeting format

Independent iCar Shareholders and their authorised proxies, attorneys and corporate representatives may participate in the Scheme Meeting via the online platform at <https://web.lumiagm.com/399-348-405>.

Further details on how to participate in the Scheme Meeting are set out in the explanatory notes that accompany and form part of this Notice of Scheme Meeting and in the Scheme Meeting Online Guide which has been released to the ASX and will be available at <https://www.icarasia.com/investor-corp>.

Independent iCar Shareholders who are unable to, or do not wish to, participate in the Scheme Meeting, or will not have access to a device or the internet, are encouraged to submit a directed proxy vote as early as possible and in any event by 2:00pm (Sydney time) on Saturday 29 January 2022 by completing and submitting the proxy form in accordance with the instructions on that form. Even if you plan to attend the Scheme Meeting, we encourage you to submit a directed proxy vote so that your vote will be counted if for any reason you cannot join the meeting (for example, if there is an issue with your internet connection on the day of the meeting).

### Archived recording of webcasting

In addition to the above, an archived recording of the webcast will also be available to Independent iCar Shareholders after the Scheme Meeting at <https://www.icarasia.com/investor-corp>.

Dated 8 December 2021

By order of the Court and the iCar Independent Board Committee.

sign here ►   
\_\_\_\_\_  
Company Secretary

print name Hasaka Martin

## Explanatory notes

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### 1 General

---

These explanatory notes relate to the Scheme and should be read in conjunction with the Scheme Booklet dated 8 December 2021 and the Notice of Scheme Meeting. These explanatory notes and the Scheme Booklet form part of the Notice of Scheme Meeting. The Scheme Booklet contains important information to assist you in determining how to vote on the Scheme Resolution.

A copy of the Scheme is set out in Annexure 2 of the Scheme Booklet.

Capitalised terms used but not defined in the Notice of Scheme Meeting have the defined meanings set out in section 11.1 of the Scheme Booklet, unless the context otherwise requires.

### 2 Chair

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The Court has directed that Georg Chmiel is to act as Chair of the Scheme Meeting and that if Georg Chmiel is unable or willing to act, Richard Kuo is to act as Chair of the Scheme Meeting.

### 3 Required Voting Majority

---

For the proposed Scheme to be binding in accordance with section 411 of the Corporations Act, the Scheme Resolution must be agreed to by:

- unless the Court orders otherwise, a majority in number of Independent iCar Shareholders present and voting (either online or by proxy, attorney or, in the case of corporate Independent iCar Shareholders, body corporate representative) at the Scheme Meeting; and
- at least 75% of the votes cast on the Scheme Resolution at the Scheme Meeting by Independent iCar Shareholders present and voting (either online or by proxy, attorney or, in the case of corporate Independent iCar Shareholders, body corporate representative).

### 4 Court approval

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Under paragraph 411(4)(b) of the Corporations Act, the Scheme (with or without amendment or any alteration or condition required by the Court) is subject to the approval of the Court. If the Scheme Resolution is passed by the Requisite Majorities and the other conditions to the Scheme (other than approval by the Court) are satisfied or waived (if

## Annexure 4 - Notice of Scheme Meeting (continued)

capable of waiver) by the time required under the Scheme, iCar intends to apply to the Court for the necessary orders to give effect to the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

### 5 Entitlement to vote

---

The iCar IBC has determined that the time for determining eligibility to vote at the Scheme Meeting is **7:00pm (Sydney time) on Saturday, 29 January 2022**. Only those Independent iCar Shareholders entered on the iCar Share Register at that time will be entitled to participate in and vote at the meeting, either online, by proxy or attorney, or in the case of a corporate Independent iCar Shareholder, by a body corporate representative. Share transfers registered after that time will be disregarded in determining voting entitlements at the Scheme Meeting. The remaining comments in these explanatory notes are addressed to Independent iCar Shareholders entitled to participate in and vote at the meeting.

### 6 Participation in the Scheme Meeting

---

Independent iCar Shareholders and their authorised proxies, attorneys and corporate representatives can participate in and vote at the Scheme Meeting via the online platform at <https://web.lumiagm.com/399-348-405>.

The online platform may be accessed via a computer or mobile or tablet device with internet access. The online platform will allow Independent iCar Shareholders and their authorised proxies, attorneys and corporate representatives to watch the Scheme Meeting, cast an online vote and ask questions online.

To participate and vote online, Independent iCar Shareholders will need their Voting Access Code (which is shown on the front of their proxy form or on their Scheme Meeting notification email) and their postcode or country of residence (if outside Australia). Proxies should obtain their log in credentials by calling the iCar Share Registry on 1300 737 760 (if within Australia) or +61 9290 9600 (if outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday excluding public holidays, or emailing the iCar Share Registry at [proxy@boardroomlimited.com.au](mailto:proxy@boardroomlimited.com.au).

Participants will be able to log in to the online platform 1 hour before the start of Scheme Meeting. It is recommended that Participants log in at least 15 minutes before the scheduled start time for the Scheme Meeting. The Scheme Meeting Online Guide provides details about how to ensure your browser is compatible with the online platform as well as a step-by-step guide to successfully log in and navigate the site. The Scheme Meeting Online Guide has been released to the ASX and will be available at <https://www.icarasia.com/investor-corp>.

Please monitor iCar's website and ASX announcements, where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Scheme Meeting.



## 7 How to vote

---

Voting at the Scheme Meeting will be conducted by poll.

If you are an Independent iCar Shareholder entitled to vote at the meeting, you may vote:

- **online**, by participating and voting via the online platform at <https://web.lumiagm.com/399-348-405>;
- **by proxy**, by completing and submitting the proxy form in accordance with the instructions on that form. To be effective, your proxy appointment must be received by the iCar Share Registry by 2:00pm (Sydney time) on Saturday, 29 January 2022;
- **by attorney**, by appointing an attorney to participate in and vote at the Scheme Meeting on your behalf and providing a duly executed power of attorney to the iCar Share Registry by 2:00pm (Sydney time) on Saturday, 29 January 2022; or
- **by corporate representative**, in the case of a body corporate, appointing a body corporate representative to participate in and vote at the Scheme Meeting on your behalf, and providing a duly executed "Appointment of Corporate Representative" form (in accordance with sections 250D and 253B of the Corporations Act) prior to the Scheme Meeting in accordance with section 9.4 below.

## 8 Jointly held securities

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If you hold iCar Shares jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote at the meeting, only the vote of the holder whose name appears first on the iCar Share Register will be counted.

See also the comments in section 9.2 below regarding the appointment of a proxy by persons who jointly hold iCar Shares.

## 9 Voting

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### 9.1 Voting online

To vote online, you must participate in the Scheme Meeting via the online platform at <https://web.lumiagm.com/399-348-405>.

Online voting will be open between the start of the Scheme Meeting and the closing of voting as announced by the Chair during the Scheme Meeting.

### 9.2 Voting by proxy

An Independent iCar Shareholder entitled to participate in and vote at the Scheme Meeting may appoint a person to participate in and vote at the Scheme Meeting as their proxy. To do so, either they should mark the box under 'Appoint a Proxy' in Step 1 of the proxy form to appoint the Chair of the Scheme Meeting as their proxy, or insert the name of their chosen proxy in the space provided. Please refer to section 9.5 of this Notice of Scheme Meeting below for further details in relation to how to submit a proxy form.

## Annexure 4 - Notice of Scheme Meeting (continued)

The following applies to proxy appointments:

- a proxy need not be another iCar Shareholder, and may be an individual or a body corporate. If a body corporate is appointed as a proxy, it must ensure that it appoints an individual as its corporate representative (in accordance with sections 250D and 253B of the Corporations Act) to exercise its powers as proxy at the Scheme Meeting in accordance with section 9.4 below;
- an Independent iCar Shareholder who is entitled to cast two or more votes at the Scheme Meeting may appoint one or two proxies. If you wish to appoint a second proxy, a second hard copy proxy form should be used and you should clearly indicate on the second proxy form that it is a second proxy and not a revocation of your first proxy. Both proxy forms should be returned together in the same envelope. If you wish to appoint two proxies using hard copy proxy forms, you will need to obtain a second proxy form. You may obtain an additional proxy form by contacting the iCar Share Registry on 1300 737 760 (if within Australia) or +61 9290 9600 (if outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday excluding public holidays, or by copying your first proxy form. You cannot appoint a second proxy using the online platform. Where two proxies are appointed, each proxy should be appointed to represent a specified proportion of the Independent iCar Shareholder's voting rights. If an Independent iCar Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Independent iCar Shareholder's votes, each proxy may exercise half of that Independent iCar Shareholder's votes with any fractions of votes disregarded;
- if you hold iCar Shares jointly with one or more other persons, in order for your proxy appointment to be valid, each of the joint holders must sign the proxy form; and
- each proxy will have the right to vote on the poll and also to ask questions at the meeting.

A proxy cannot be appointed online if they are appointed under a power of attorney or similar authority.

If you have appointed a proxy and participate in and vote at the Scheme Meeting, the authority of your proxy to participate and vote, on your behalf, is automatically suspended. However, if you view a live webcast of the Scheme Meeting as a 'guest', you will not revoke your proxy appointment.

A vote given in accordance with the terms of a proxy appointment is valid despite the revocation of that appointment, unless notice in writing of the revocation has been received by the iCar Share Registry before the start of the Scheme Meeting (or, if the meeting is adjourned or postponed, before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting) in any of the ways in section 9.5 below.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or abstain from voting on, the Scheme Resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the Scheme Meeting.

If you do not direct your proxy how to vote on the Scheme Resolution, the proxy may vote, or abstain from voting, as he or she thinks fit. If you instruct your proxy to abstain from voting on an item of business, he or she is directed not to vote on your behalf, and the shares the subject of the proxy appointment will not be counted in computing the required majority.

If you return your proxy form:

- without identifying a proxy on it, you will be taken to have appointed the Chair of the Scheme Meeting as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not participate in the Scheme Meeting, the Chair of the Scheme Meeting will act in place of your nominated proxy and vote in accordance with any directions on your proxy form.

The Chair of the Scheme Meeting intends to vote all available undirected proxies in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Independent iCar Shareholders.

### **9.3 Voting by attorney**

You may appoint an attorney to participate in and vote at the meeting on your behalf. Your attorney need not be another iCar Shareholder. Each attorney will have the right to vote on the poll and also to ask questions at the Scheme Meeting.

The power of attorney appointing your attorney to participate in and vote at the Scheme Meeting must be duly executed by you and specify your name, the company (that is, iCar), and the attorney, and also specify the meeting(s) at which the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certified copy of the power of attorney, should be received by the iCar Share Registry before 2:00pm (Sydney time) on Saturday, 29 January 2022 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of ways specified for proxy forms in section 9.5 below, except that the power of attorney or a certified copy of the power of attorney cannot be lodged online or by mobile device.

A validly appointed attorney wishing to participate in and vote at the Scheme Meeting via the online platform will require the appointing Independent iCar Shareholder's name and postcode or country of residence (if outside Australia) and the Voting Access Code in order to access the online platform.

### **9.4 Voting by corporate representative**

A body corporate that is an Independent iCar Shareholder, or that has been appointed as a proxy, must appoint an individual to act as its representative at the Scheme Meeting. The appointment must comply with the requirements of section 250D and 253B of the Corporations Act. The 'Appointment of Corporate Representative' form may be downloaded via <https://www.boardroomlimited.com.au/investor-forms> or obtained from the iCar Share Registry by calling 1300 737 760 (if within Australia) or +61 9290 9600 (if outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday excluding public holidays. The form of appointment may set out restrictions on the representative's powers.

The form of appointment must be received the iCar Share Registry prior to the Scheme Meeting. Independent iCar Shareholders may submit the certificate:

- via email, by sending it to [proxy@boardroomlimited.com.au](mailto:proxy@boardroomlimited.com.au); or
- in any of the ways specified for proxy forms in section 9.5 of this Notice of Scheme Meeting, except that a form of appointment of corporate representative cannot be lodged online or by mobile device.

If a form of appointment is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of

## Annexure 4 - Notice of Scheme Meeting (continued)

the power of attorney or other authority, must accompany the completed certificate unless the power of attorney or other authority has previously been received by the iCar Share Registry.

A validly appointed corporate representative wishing to participate in and vote at the Scheme Meeting via the online platform will require the appointing Independent iCar Shareholder's name, Voting Access Code (which is shown on the front of their proxy form or on their Scheme Meeting notification email) and postcode or country of residence (if outside Australia) in order to access the online platform.

### 9.5 How to submit a proxy form

To appoint a proxy, you should complete and submit the proxy form in accordance with the instructions on that form.

To be effective, proxy appointments must be received by way of completed proxy forms by the iCar Share Registry by **2:00pm (Sydney time) on Saturday, 29 January 2022** (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

(a) **online:** at <https://www.votingonline.com.au/icqsm2022> and follow the prompts

(b) **by mobile device:**

If you have a smart phone, you can now lodge your proxy appointment via <https://www.votingonline.com.au/icqsm2022> or by scanning the QR code on the proxy form. To scan the QR code, you will need a QR code reader application which can be downloaded for free on your mobile device.

Log in using your Voting Access Code (which is shown on the front of your proxy form or on your Scheme Meeting notification email) and your postcode or country of residence (if outside Australia).

(c) **by email:** to [proxy@boardroomlimited.com.au](mailto:proxy@boardroomlimited.com.au)

(d) **by post in the provided reply paid envelope to the iCar Share Registry at the following address:**

Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

(e) **by hand delivery (during normal business hours) to the iCar Share Registry at the following address:**

Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

(f) **by fax to the iCar Share Registry on:**

+ 61 2 9290 9655

Proxy forms received after **2:00pm (Sydney time) on Saturday, 29 January 2022** (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) will be invalid.

If a proxy form is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of



attorney or other authority, must accompany the completed proxy form unless the power of attorney or other authority has previously been received by the iCar Share Registry.

## 10 Questions

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Independent iCar Shareholders and proxies will have a reasonable opportunity to ask questions during the Scheme Meeting via the online platform.

Independent iCar Shareholders who prefer to register questions in advance of the Scheme Meeting are also invited to do so by submitting questions online via the 'Ask the Board' button at <https://www.votingonline.com.au/icqsm2022> by 2:00pm on Monday, 24 January 2022.

Independent iCar Shareholders are requested to restrict themselves to two questions or comments initially, and further questions will be considered if time permits. Questions and comments may be moderated to avoid repetition and to make them more concise.

The Chair of the Scheme Meeting will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the Scheme Meeting. However, there may not be sufficient time available during the Scheme Meeting to address all of the questions raised. Please note that individual responses will not be sent to Independent iCar Shareholders.

## 11 Technical difficulties

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Technical difficulties may arise during the course of the Scheme Meeting. The Chair has discretion as to whether and how the Scheme Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chair will have regard to the number of Independent iCar Shareholders impacted and the extent to which participation in the business of the meeting is affected. Where the Chair considers it appropriate, the Chair may continue to hold the Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, Independent iCar Shareholders are encouraged to lodge a directed proxy in advance of the Scheme Meeting even if they plan to attend the meeting online.

Independent iCar Shareholders may experience local technical difficulties, such as poor internet connection. Please refer to the Scheme Meeting Online Guide which has been released to the ASX and will be available at [www.icarasia.com/investor-welcome](http://www.icarasia.com/investor-welcome) for advice on optimising the virtual meeting experience.

## 12 Advertisement

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Where this Notice of Scheme Meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone from ASX's website ([www2.asx.com.au](http://www2.asx.com.au)) or from iCar's website ([www.icarasia.com](http://www.icarasia.com)) or by contacting the iCar Share Registry.

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# Corporate directory

**iCar Asia Limited**

Suite 4201, Level 42, 264 George Street  
Sydney NSW 2000

**Financial adviser**

Goldman Sachs  
Level 46, 1 Farrer Place  
Sydney NSW 2000

**Legal adviser**

Herbert Smith Freehills  
Level 33, 161 Castlereagh Street  
Sydney NSW 2000

**Independent Expert**

Lonergan Edwards & Associates Limited  
Level 7, 64 Castlereagh Street  
Sydney NSW 2000

**iCar Share Registry**

Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney NSW 2000





**All Correspondence to:**

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

This proxy form (**Proxy Form**) should be read in conjunction with the Scheme Booklet dated 8 December 2021 issued by iCar Asia Limited (**iCar**). Words and expressions used in this Proxy Form have the same meaning given to them in the Scheme Booklet, unless the context requires otherwise.

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 2:00pm (Sydney time) on Saturday, 29 January 2022.**

### 🖥 TO VOTE ONLINE

- STEP 1:** Visit <https://www.votingonline.com.au/icqsm2022> OR scan the QR Code
- STEP 2:** Enter your Postcode OR Country of Residence (if outside Australia)
- STEP 3:** Enter your Voting Access Code (VAC):

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your proxy.

If you wish to appoint the Chair of the Scheme Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair of the Scheme Meeting as your proxy please write the full name of that individual or body corporate in Step 1. If you leave this section blank, or your named proxy does not attend the Meeting, the Chair of the Meeting will be your proxy. A proxy need not be an iCar Shareholder.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the Scheme Meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting iCar's registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of iCar Shares applicable to that form in the appropriate box or boxes in Step 2. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite the Scheme Resolution in Step 2. All your iCar Shares will be voted in accordance with such a direction unless you indicate only a portion of iCar Shares are to be voted on by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes, your proxy may vote as he or she chooses. If you mark more than one box for all your iCar Shares, your vote will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained by contacting iCar's registry or online at <https://www.boardroomlimited.com.au>

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** this form must be signed by the iCar Shareholder.

**Joint Holding:** where the shareholding is in more than one name, all the iCar Shareholders must sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged the Power of Attorney, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

This Proxy Form (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the Scheme Meeting, being **2:00pm (Sydney time) on Saturday, 29 January 2022 (or, if the Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting)**. Any Proxy Form received after that time will not be valid.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or

🖥 **Online** <https://www.votingonline.com.au/icqsm2022>

✉ **By E-mail** [proxy@boardroomlimited.com.au](mailto:proxy@boardroomlimited.com.au)

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

**iCar Asia Limited**

ABN 91 157 710 846

**Your Address**

This is your address as it appears on iCar's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Shareholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your iCar Shares using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of iCar Asia Limited and entitled to attend and vote hereby appoint:

the **Chair of the Scheme Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Scheme Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Scheme Meeting as my/our proxy at the Scheme Meeting to be held as a virtual meeting at <https://web.lumiagm.com/399-348-405> on **Monday, 31 January 2022 at 2:00pm (Sydney time)** and at any postponement or adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit to the extent permitted by law.

The Chair of the Scheme Meeting intends to vote undirected proxies in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interest of Independent iCar Shareholders.

**STEP 2 VOTING DIRECTIONS**  
\* If you mark the Abstain box, you are directing your proxy not to vote on your behalf on a poll and your vote will not be counted in calculating the required majority on a poll.

Scheme Resolution

That, pursuant to and in accordance with the provisions of section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between iCar Asia Limited and the holders of its ordinary shares (other than certain Excluded Shareholders), as contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Supreme Court of New South Wales to which iCar Asia Limited and Carsome Group Pte. Ltd. agree.

<b>For</b>	<b>Against</b>	<b>Abstain*</b>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director

Joint Shareholder 3 (Individual)

Director / Company Secretary (delete one)

Contact Name..... Contact Daytime Telephone..... Date / /

This form should be signed by the shareholder. If a joint holding, all shareholders must sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If signed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

# SCHEME MEETING ONLINE USER GUIDE

## Attending the scheme meeting virtually

The scheme meeting will be held virtually. You will be able to view a live webcast of the meeting, ask questions and vote in real time.

### To access the meeting:

Visit [web.lumiagm.com/399-348-405](http://web.lumiagm.com/399-348-405) on your computer, tablet or smartphone. You will need the latest version of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.

## Meeting ID: 399-348-405

To log in you must have your **Voting Access Code (VAC)** and **Postcode or Country Code**

The website will be open and available for log in from 1:00pm (Sydney time) on Monday, 31 January 2022

## Using the Lumi platform:

### ACCESS

The 1<sup>st</sup> page of the platform will ask in what capacity you are joining the meeting.

Shareholders or appointed proxies should select **"Securityholder or Proxy"**

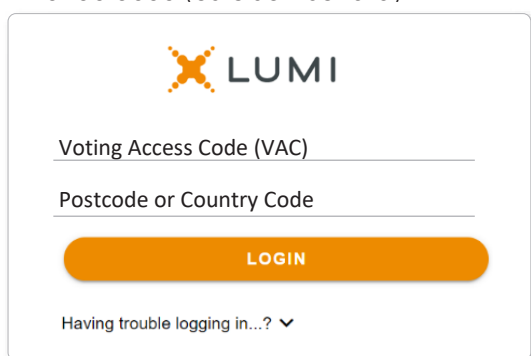
Guests should select **"Guest"**

### CREDENTIALS

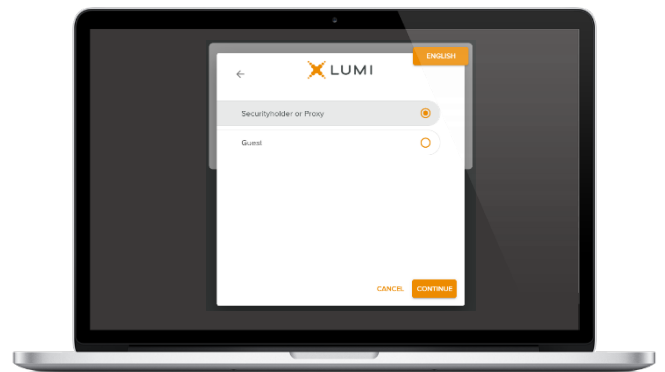
#### Shareholders/Proxies

Your username is your **Voting Access Code** and your password is your **Postcode** or, for Non-Australian residents, your **3-letter Country Code**.

Proxies should obtain their log in credentials from the registrar by calling 1300 737 760 (within Australia), or +61 2 9290 9600 (outside Australia)



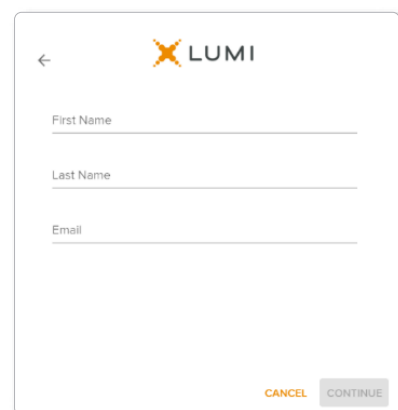
The screenshot shows the Lumi login interface for Shareholders/Proxies. It features the Lumi logo at the top, followed by two input fields: "Voting Access Code (VAC)" and "Postcode or Country Code". Below these fields is a prominent orange "LOGIN" button. At the bottom, there is a link that says "Having trouble logging in...?" with a dropdown arrow.



#### Guests

Enter your name and email address to be admitted into the meeting.

*Please note that guests will not be able to ask questions or vote at the meeting.*



The screenshot shows the Lumi platform's registration form for Guests. It features the Lumi logo at the top, followed by three input fields: "First Name", "Last Name", and "Email". At the bottom right of the form, there are "CANCEL" and "CONTINUE" buttons.

## NAVIGATION

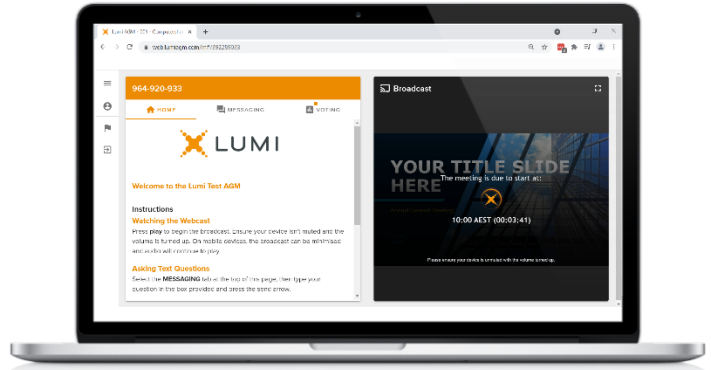
Once successfully authenticated, the home page will appear. You can view meeting instructions, ask questions and watch the webcast.

If viewing on a computer the webcast will appear at the side automatically once the meeting has started.

On a mobile device, select the broadcast icon at the bottom of the screen to watch the webcast.



During the meeting, mobile users can minimise the webcast at any time by selecting the arrow by the broadcast icon. You will still be able to hear the meeting. Selecting the broadcast icon again will reopen the webcast.



Desktop / Laptop users can watch the webcast full screen, by selecting the full screen icon.



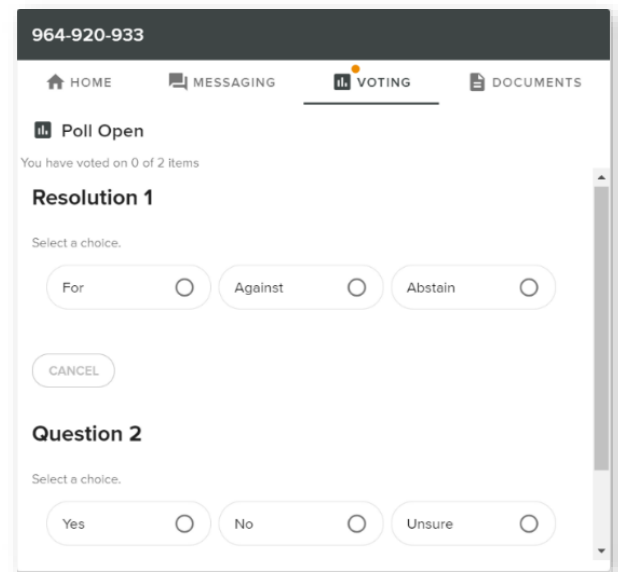
To reduce the webcast to its original size, select the X at the top of the broadcast window.

## VOTING

The Chair will open voting on the resolution at the start of the meeting. Once voting has opened, the voting tab will appear on the navigation bar.



Selecting above icon will open the resolution and the voting options.

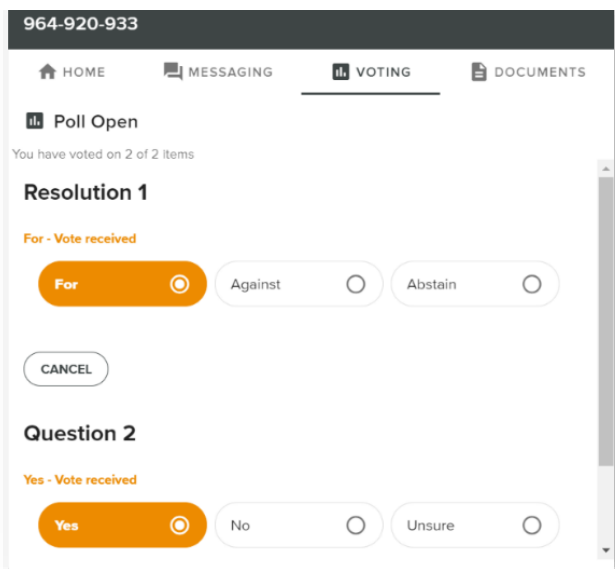


To vote, simply select your voting direction from the options displayed on screen. Your selection will change colour and a confirmation message will appear.

To change your vote, simply select another option. If you wish to cancel your vote, please press cancel.

There is no need to press a submit or send button. Your vote is automatically counted.

Voting can be performed at any time during the meeting until the Chair closes the poll.





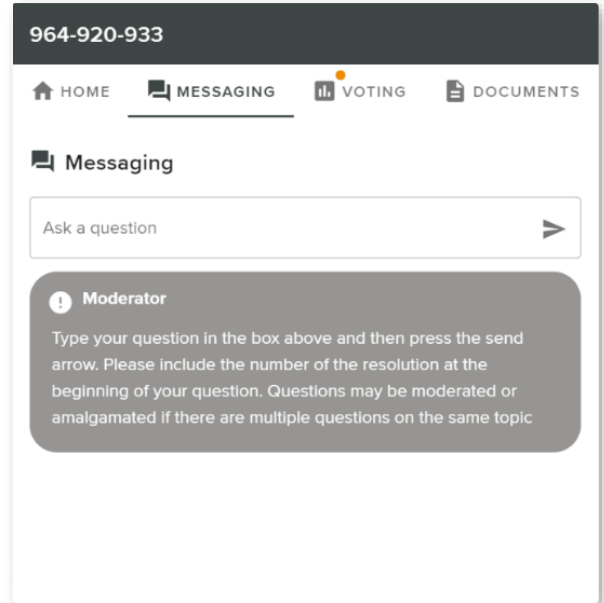
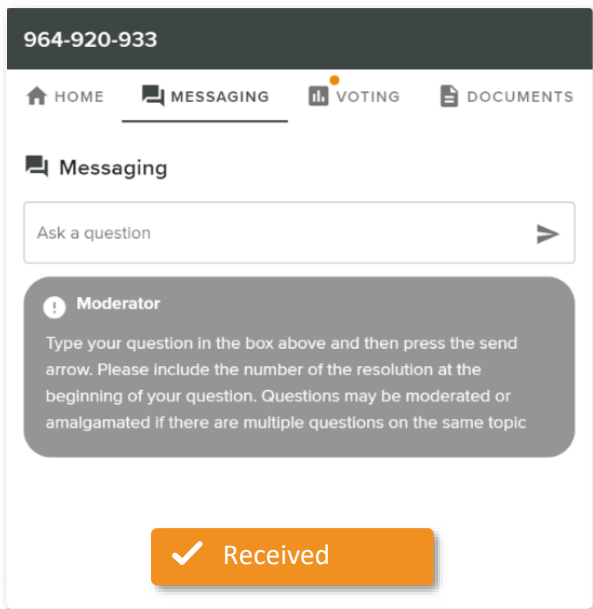
## QUESTIONS

Any shareholder or appointed proxy is eligible to ask questions.

If you would like to ask a question, select the messaging icon.



Questions can be submitted at any time from the start of the meeting, up until the Chair closes the Q&A session.



Select the “Ask a Question” box and type in your question .

Once you are happy with your question, select the send icon.



Questions sent via the Lumi platform may be moderated before being sent to the Chair. This is to avoid repetition and remove any inappropriate language.

### Asking Audio Questions

If you are a shareholder or proxy you can ask a verbal question. Dial by your location below:

- +61 7 3185 3730 Australia
- +61 8 6119 3900 Australia
- +61 8 7150 1149 Australia
- +61 2 8015 6011 Australia
- +61 3 7018 2005 Australia

Alternatively, find your local number:

<https://boardroom-media.zoom.us/j/acqWmpYciu>

Once dialled in you will be asked to enter the meeting ID. Please ensure your webcast is muted before joining the call.

You will be asked for a participant pin however simply press # to join the meeting. You will be muted upon entry. To ask a question press \*9 to signal the moderator. Once your question has been answered your line will be muted. Feel free to either hang up or stay on the line. For additional questions press \*9 to signal the operator.

Meeting ID: 399-348-405

To login you must have your **Voting Access Code (VAC)** and **postcode or country code**

The website will be open and available for log in from 1:00pm (Sydney time) on Monday, 31 January 2022

## Country Codes

For overseas shareholders, select your country code from the list below and enter it into the password field.

<b>ABW</b>	Aruba	<b>DZA</b>	Algeria	<b>LBR</b>	Liberia	<b>ROU</b>	Romania
<b>AFG</b>	Afghanistan	<b>ECU</b>	Ecuador	<b>LBY</b>	Libyan Arab Jamahiriya	<b>RUS</b>	Russian Federation
<b>AGO</b>	Angola	<b>EGY</b>	Egypt	<b>LCA</b>	St Lucia	<b>RWA</b>	Rwanda
<b>AIA</b>	Anguilla	<b>ERI</b>	Eritrea	<b>LIE</b>	Liechtenstein	<b>SAU</b>	Saudi Arabia Kingdom Of
<b>ALA</b>	Aland Islands	<b>ESH</b>	Western Sahara	<b>LKA</b>	Sri Lanka	<b>SDN</b>	Sudan
<b>ALB</b>	Albania	<b>ESP</b>	Spain	<b>LSO</b>	Lesotho	<b>SEN</b>	Senegal
<b>AND</b>	Andorra	<b>EST</b>	Estonia	<b>LTU</b>	Lithuania	<b>SGP</b>	Singapore
<b>ANT</b>	Netherlands Antilles	<b>ETH</b>	Ethiopia	<b>LUX</b>	Luxembourg	<b>SGS</b>	Sth Georgia & Sth Sandwich Isl
<b>ARE</b>	United Arab Emirates	<b>FIN</b>	Finland	<b>LVA</b>	Latvia	<b>SHN</b>	St Helena
<b>ARG</b>	Argentina	<b>FJI</b>	Fiji	<b>MAC</b>	Macao	<b>SJM</b>	Svalbard & Jan Mayen
<b>ARM</b>	Armenia	<b>FLK</b>	Falkland Islands (Malvinas)	<b>MAF</b>	St Martin	<b>SLB</b>	Solomon Islands
<b>ASM</b>	American Samoa	<b>FRA</b>	France	<b>MAR</b>	Morocco	<b>SCG</b>	Serbia & Outlying
<b>ATA</b>	Antarctica	<b>FRO</b>	Faroe Islands	<b>MCO</b>	Monaco	<b>SLE</b>	Sierra Leone
<b>ATF</b>	French Southern	<b>FSM</b>	Micronesia	<b>MDA</b>	Republic Of Moldova	<b>SLV</b>	El Salvador
<b>ATG</b>	Antigua & Barbuda	<b>GAB</b>	Gabon	<b>MDG</b>	Madagascar	<b>SMR</b>	San Marino
<b>AUS</b>	Australia	<b>GBR</b>	United Kingdom	<b>MDV</b>	Maldives	<b>SOM</b>	Somalia
<b>AUT</b>	Austria	<b>GEO</b>	Georgia	<b>MEX</b>	Mexico	<b>SPM</b>	St Pierre And Miquelon
<b>AZE</b>	Azerbaijan	<b>GGY</b>	Guernsey	<b>MHL</b>	Marshall Islands	<b>SRB</b>	Serbia
<b>BDI</b>	Burundi	<b>GHA</b>	Ghana	<b>MKD</b>	Macedonia Former Yugoslav Rep	<b>STP</b>	Sao Tome And Principe
<b>BEL</b>	Belgium	<b>GIB</b>	Gibraltar	<b>MLI</b>	Mali	<b>SUR</b>	Suriname
<b>BEN</b>	Benin	<b>GIN</b>	Guinea	<b>MLT</b>	Mauritania	<b>SVK</b>	Slovakia
<b>BFA</b>	Burkina Faso	<b>GLP</b>	Guadeloupe	<b>MMR</b>	Myanmar	<b>SVN</b>	Slovenia
<b>BGD</b>	Bangladesh	<b>GMB</b>	Gambia	<b>MNE</b>	Montenegro	<b>SWE</b>	Sweden
<b>BGR</b>	Bulgaria	<b>GNB</b>	Guinea-Bissau	<b>MNG</b>	Mongolia	<b>SWZ</b>	Swaziland
<b>BHR</b>	Bahrain	<b>GNQ</b>	Equatorial Guinea	<b>MNP</b>	Northern Mariana Islands	<b>SYC</b>	Seychelles
<b>BHS</b>	Bahamas	<b>GRC</b>	Greece	<b>MOZ</b>	Mozambique	<b>SYR</b>	Syrian Arab Republic
<b>BIH</b>	Bosnia & Herzegovina	<b>GRD</b>	Grenada	<b>MRT</b>	Mauritania	<b>TCA</b>	Turks & Caicos Islands
<b>BLM</b>	St Barthelemy	<b>GRL</b>	Greenland	<b>MSR</b>	Montserrat	<b>TCD</b>	Chad
<b>BLR</b>	Belarus	<b>GTM</b>	Guatemala	<b>MTQ</b>	Martinique	<b>TGO</b>	Togo
<b>BLZ</b>	Belize	<b>GUF</b>	French Guiana	<b>MUS</b>	Mauritius	<b>THA</b>	Thailand
<b>BMU</b>	Bermuda	<b>GUM</b>	Guam	<b>MWI</b>	Malawi	<b>TJK</b>	Tajikistan
<b>BOL</b>	Bolivia	<b>GUY</b>	Guyana	<b>MYS</b>	Malaysia	<b>TKL</b>	Tokelau
<b>BRA</b>	Brazil	<b>HKG</b>	Hong Kong	<b>MYT</b>	Mayotte	<b>TKM</b>	Turkmenistan
<b>BRB</b>	Barbados	<b>HMD</b>	Heard & Mcdonald Islands	<b>NAM</b>	Namibia	<b>TLS</b>	Timor-Leste
<b>BRN</b>	Brunei Darussalam	<b>HND</b>	Honduras	<b>NCL</b>	New Caledonia	<b>TMP</b>	East Timor
<b>BTN</b>	Bhutan	<b>HRV</b>	Croatia	<b>NER</b>	Niger	<b>TON</b>	Tonga
<b>BUR</b>	Burma	<b>HTI</b>	Haiti	<b>NFK</b>	Norfolk Island	<b>TTO</b>	Trinidad & Tobago
<b>BVT</b>	Bouvet Island	<b>HUN</b>	Hungary	<b>NGA</b>	Nigeria	<b>TUN</b>	Tunisia
<b>BWA</b>	Botswana	<b>IDN</b>	Indonesia	<b>NIC</b>	Nicaragua	<b>TUR</b>	Turkey
<b>CAF</b>	Central African Republic	<b>IMN</b>	Isle Of Man	<b>NIU</b>	Niue	<b>TUV</b>	Tuvalu
<b>CAN</b>	Canada	<b>IND</b>	India	<b>NLD</b>	Netherlands	<b>TWN</b>	Taiwan
<b>CCK</b>	Cocos (Keeling) Islands	<b>IOT</b>	British Indian Ocean Territory	<b>NOR</b>	Norway Montenegro	<b>TZA</b>	Tanzania United Republic of
<b>CHE</b>	Switzerland	<b>IRL</b>	Ireland	<b>NPL</b>	Nepal	<b>UGA</b>	Uganda
<b>CHL</b>	Chile	<b>IRN</b>	Iran Islamic Republic of	<b>NRU</b>	Nauru	<b>UKR</b>	Ukraine
<b>CHN</b>	China	<b>IRQ</b>	Iraq	<b>NZL</b>	New Zealand	<b>UMI</b>	United States Minor
<b>CIV</b>	Cote D'Ivoire	<b>ISM</b>	Isle of Man	<b>OMN</b>	Oman	<b>URY</b>	Uruguay
<b>CMR</b>	Cameroon	<b>ISL</b>	Iceland	<b>PAK</b>	Pakistan	<b>USA</b>	United States of America
<b>COD</b>	Democratic Republic of Congo	<b>ISR</b>	Israel	<b>PAN</b>	Panama	<b>UZB</b>	Uzbekistan
<b>COK</b>	Cook Islands	<b>ITA</b>	Italy	<b>PCN</b>	Pitcairn Islands	<b>VNM</b>	Vietnam
<b>COL</b>	Colombia	<b>JAM</b>	Jamaica	<b>PER</b>	Peru	<b>VUT</b>	Vanuatu
<b>COM</b>	Comoros	<b>JEY</b>	Jersey	<b>PHL</b>	Philippines	<b>WLF</b>	Wallis & Futuna
<b>CPV</b>	Cape Verde	<b>JOR</b>	Jordan	<b>PLW</b>	Palau	<b>WSM</b>	Samoa
<b>CRI</b>	Costa Rica	<b>JPN</b>	Japan	<b>PNG</b>	Papua New Guinea	<b>YEM</b>	Yemen
<b>CUB</b>	Cuba	<b>KAZ</b>	Kazakhstan	<b>POL</b>	Poland	<b>YMD</b>	Yemen Democratic
<b>CYM</b>	Cayman Islands	<b>KEN</b>	Kenya	<b>PRI</b>	Puerto Rico	<b>YUG</b>	Yugoslavia Socialist Fed Rep
<b>CYP</b>	Cyprus	<b>KGZ</b>	Kyrgyzstan	<b>PRK</b>	Korea Dem Peoples Republic of	<b>ZAF</b>	South Africa
<b>CXR</b>	Christmas Island	<b>KHM</b>	Cambodia	<b>PRT</b>	Portugal	<b>ZAR</b>	Zaire
<b>CZE</b>	Czech Republic	<b>KIR</b>	Kiribati	<b>PRY</b>	Paraguay	<b>ZMB</b>	Zambia
<b>DEU</b>	Germany	<b>KNA</b>	St Kitts And Nevis	<b>PSE</b>	Palestinian Territory Occupied	<b>ZWE</b>	Zimbabwe
<b>DJI</b>	Djibouti	<b>KOR</b>	Korea Republic of	<b>PYF</b>	French Polynesia		
<b>DMA</b>	Dominica	<b>KWT</b>	Kuwait	<b>QAT</b>	Qatar		
<b>DNK</b>	Denmark	<b>LAO</b>	Laos	<b>REU</b>	Reunion		
<b>DOM</b>	Dominican Republic	<b>LBN</b>	Lebanon				