iCar Asia Limited

ACN 157 710 846

Appendix 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the half year ended 30 June 2020

Statutory Financial Results	**Jun-20 $000**	**Jun-19 $000**	**Movement $000**	**Change**
Revenues from ordinary operations	6,256	6,010	246	4%
Loss from ordinary activities after tax attributable to members	(6,144)	(5,636)	(508)	9%
Loss after tax attributable to members	(6,144)	(5,636)	(508)	9%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(4,093)	(3,689)	(404)	11%
Receipts from customers	6,965	7,673	(708)	(9%)
Net cash used in operating activities	(3,807)	(3,481)	(326)	9%
Net cash used in investing activities	(556)	(520)	(36)	7%
	Cents	**Cents**		
Loss per Share (basic & diluted)	(1.44)	(1.45)	0.01	(1%)
(NTL)/ NTA per Share	(0.93)	2.64	(3.57)	(135%)

Pro Forma Financial Results	**Jun-20 $000**	**Jun-19 $000**	**Movement $000**	**Change**
Revenues from ordinary operations	6,256	6,010	246	4%
Loss from ordinary activities after tax attributable to members	(6,144)	(5,636)	(508)	9%
Loss after tax attributable to members	(6,144)	(5,636)	(508)	9%
Earnings before interest, tax, depreciation, amortisation and equity incentives (EBITDAE)	(3,315)	(2,750)	(565)	21%

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

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

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

[1] The adjustment removes the portion of directors' remuneration paid in shares, long term incentive plan (LTI), option plan and long term value creation plan (LTVC) expense incurred during the period ended June 2020.

The following table reconciles the statutory result to pro forma financial results for the period ended 30 June 2019 (noting that this financial information has not been reviewed in accordance with Australian Auditing Standards):

Half year ended 30 June 2019 $'000	Sales	EBITDA	NPAT
Statutory results	**6,010**	**(3,689)**	**(5,636)**
Employee equity incentive expense	-	**939**	-
Pro forma results	**6,010**	**(2,750)**	**(5,636)**

[1] The adjustment removes the portion of directors' remuneration paid in shares, long term incentive plan (LTI), option plan and long term value creation plan (LTVC) expense incurred during the period ended June 2019.

Dividends

iCar Asia Limited does not propose to pay a dividend for this reporting period (2019: nil).

Basis of this report

This report is based on the Half Year Financial Report which has been subject to independent review by the Auditors, Ernst & Young. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 31 December 2019 Annual Financial Report.

For and on behalf of the Board

Georg Chmiel
Executive Chairman
27 August 2020

iCar Asia Limited and Controlled Entities

ACN 157 710 846

Financial Report

for the half year ended 30 June 2020

Contents to half-year financial report

ICAR ASIA LIMITED (ICQ) / ACN 157 710 846

Directors' report

The Directors of iCar Asia Limited submit their financial report for iCar Asia Limited and Controlled Entities (referred to hereafter as the 'Group') for the half-year ended 30 June 2020.

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

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

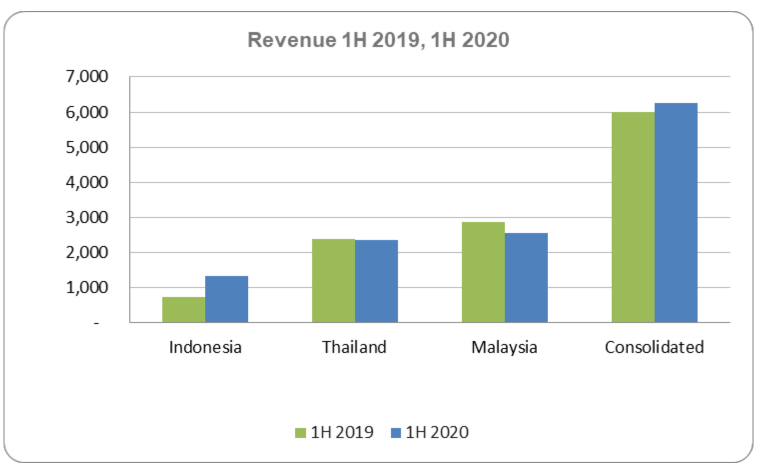
Principal Activities

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

Financial Performance

4% revenue growth year on year amidst challenging Covid-19 environment

The Group generated $6.26m in revenue in the first half of 2020 (first half of 2019: $6.01m), representing 4% revenue growth compared to the prior corresponding period. This growth was achieved despite major disruption in all three countries in which it operates since March 2020 due to Covid-19 related disruptions. All 3 countries the Group operates in were subject to varying degrees of movement control measures from March 2020 and relaxation of these measures commenced progressively in May 2020.



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

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

Financial Performance (continued)

Used Car Business

The Used Car business delivered 11% revenue growth year on year to $4.26m (first half of 2019: $3.84m). The growth was positively impacted by the acquisition of Carmudi, completed in November 2019, particularly its Car Sales Centres (Carsentros) which operates 5 physical car sales centres. This business is a transaction platform for car dealers and leading car financing businesses, and generate finance commission, rental fee and sponsorship income.

Classified and auctions businesses in all 3 countries were adversely affected by Covid-19 business restrictions.

The Group's Used Car auction business continued to grow in Q1 2020 before the growth was interrupted in early Q2 2020 as a consequence of Covid-19 related restrictions. With the lifting of business restrictions in mid-Q2, recovery in these businesses commenced. As momentum in this recovery gathers pace, it is expected that a gradual return to growth in these business activities will occur in the second half of 2020.

New Car Business

Revenue generated in the New Car business decreased by 8% in the first half of 2020 to $2.00m (first half of 2019: $2.17m) which was experienced across all 3 countries due to Covid-19 related restrictions. Advertising spend by original equipment manufacturers (primarily car manufacturers) was materially reduced from March 2020 onwards.

A gradual improvement in New Car business is expected in the second half of 2020 as relaxation of business restrictions and certain stimulus packages offered by governments to encourage consumer spending, is expected to positively influence business activity. The Malaysian government introduced sales tax exemption on new car sales from June 2020 to December 2020 that is expected to be a further catalyst for activities both in new cars and the related trade in and sale of used cars. Used car sales are increasing as consumer preferences are shifting towards using cars for personal mobility over public transport and ride sharing.

Effective cost management

Operating expenses (excluding depreciation and amortisation) increased by 7% in the first half of 2020 to $10.3m (first half of 2019: $9.7m). The increase was mainly due to inclusion of Carmudi's operating expenses in the first half of 2020. Excluding Carmudi's expenses, the Group's operating expenses in first half of 2020 would have been $9.1m, a decrease of 7% compared to the first half of 2019. This was largely achieved through specific cost management measures put in place to mitigate the impact of Covid-19, including temporary salary reductions, scaling back of marketing expenses and renegotiation of other key operating expenses with suppliers and vendors.

The Group incurred an EBITDA loss for the half year of $4.09m (first half of 2019: $3.69m), an increase of 11% as a result of higher cost base (mainly due to the inclusion of Carmudi) and lower-than-expected revenue growth due to Covid-19 disruptions.

Operating Performance Highlights

Key operating metrics were impacted due to Covid-19 business disruptions and the Group's initiatives to reduce marketing spends. The majority of this impact occurred in Q2 2020.

Notwithstanding this, dealer metrics remained strong throughout Q2 2020, with listings and account volumes delivering marginal growth compared to Q2 2019. Audience and leads recovered throughout Q2 2020, with June monthly averages returning to 68% and 86% of Q1 2020 monthly levels respectively. This was achieved despite a reduction of marketing budgets during Q2 2020, with unpaid and mobile app traffic and leads contributing over 88% of the total volumes in each market.

Operating Environment and Opportunities

Operational focus in 2H 2020 will be on the recovery of both Used Car and New Car businesses and re-establishing growth momentum amidst the uncertainties caused by Covid-19 business disruptions. Weak consumer sentiment and tight credit rules imposed by financial institution on auto financing may potentially pose challenges to the recovery of automotive markets across 3 countries. The Group remains cautiously optimistic that the recovery will be gradual and at varying rates across 3 countries.

Non-IFRS measures

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

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

Non-IFRS financial measure	Definition
EBITDA	Earnings before interest, tax, depreciation and amortisation expenses. Eliminates non-cash charges for depreciation and amortisation.

Pro forma financial results

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

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

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

[1] The adjustment removes the portion of directors' remuneration paid in shares, long term incentive plan (LTI), option plan and long term value creation plan (LTVC) expense incurred during the period ended June 2020.

Half year ended 30 June 2019 $'000	Sales	EBITDA	NPAT
Statutory results	**6,010**	**(3,689)**	**(5,636)**
Employee equity incentive expense	-	**939**	-
Pro forma results	**6,010**	**(2,750)**	**(5,636)**

[1] The adjustment removes the portion of directors' remuneration paid in shares, long term incentive plan (LTI), option plan and long term value creation plan (LTVC) expense incurred during the period ended June 2019.

Dividends

The Group does not propose to pay a dividend for this reporting period (2019: nil).

Events subsequent to reporting date

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

Indemnification of auditors

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

Auditor's independence declaration

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

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

On behalf of the Directors

Georg Chmiel
Chairman

Kuala Lumpur
27 August 2020

Building a better
working world

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

As lead auditor for the review of the half-year financial report of iCar Asia Limited for the half-year ended 30 June 2020, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review*;* and

b) no contraventions of any applicable code of professional conduct in relation to the review.

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

Ernst & Young

Ernst & Young

BJ Pollock
Partner
27 August 2020

iCar Asia Limited and Controlled Entities
Directors' declaration
30 June 2020

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

In the opinions of the directors:

(a) The financial statements and notes of the Group for the half-year ended 30 June 2020 are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the half-year ended on that date; and

  (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*

(b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the board

Georg Chmiel
Chairman

Kuala Lumpur
27 August 2020

iCar Asia Limited and Controlled Entities
Interim condensed consolidated statement of comprehensive income
For the six months ended 30 June 2020

		Consolidated	
		2020	**2019**
	Note	**$**	**$**
Revenue from contracts with customers	4	6,255,675	6,010,064
Expenses			
Administration and related expenses		(1,307,155)	(1,008,824)
Advertising and marketing expenses		(1,741,382)	(2,480,356)
Cost of goods sold		(197,438)	-
Employment related expenses		(6,140,189)	(5,529,924)
Premises and infrastructure expenses		(949,605)	(642,863)
Production costs		(12,804)	(37,184)
Depreciation and amortisation expense		(1,845,005)	(1,695,501)
Operating loss		(5,937,903)	(5,384,588)
Interest income		16,413	50,612
Interest expense		(160,699)	(262,296)
Loss before tax		(6,082,189)	(5,596,272)
Income tax (expense)/benefit		(61,960)	(40,104)
Loss after income tax expense for the period attributable to the owners of iCar Asia Limited and Controlled Entities		(6,144,149)	(5,636,376)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss (net of tax)			
Exchange differences on translation of foreign operations		(721,440)	1,095,739
Other comprehensive income for the year (net of tax)		(721,440)	1,095,739
Total comprehensive loss for the period attributable to the owners of iCar Asia Limited and Controlled Entities		(6,865,589)	(4,540,637)
Earnings per share		**Cents**	**Cents**
Basic loss per share		(1.44)	(1.45)
Diluted loss per share		(1.44)	(1.45)

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

iCar Asia Limited and Controlled Entities
Interim condensed consolidated statement of financial position
For the six months ended 30 June 2020

	Note	Consolidated 30 Jun 2020 $	31 Dec 2019 $
Assets			
Current assets			
Cash and cash equivalents	6	2,196,714	6,833,304
Trade and other receivables and contract assets		1,008,324	1,249,544
Other assets		3,493,098	3,303,142
Total current assets		**6,698,136**	**11,385,990**
Non-current assets			
Property, plant and equipment		543,192	708,359
Right-of-use assets		770,538	1,048,542
Intangibles	7	9,024,998	9,540,954
Goodwill	7	25,201,429	25,493,500
Other non-current assets		28,590	83,314
Total non-current assets		**35,568,747**	**36,874,669**
Total assets		**42,266,883**	**48,260,659**
Liabilities			
Current liabilities			
Trade and other payables		3,375,386	3,886,286
Contract liabilities		2,087,588	1,838,120
Lease liabilities		429,074	513,255
Provisions		1,553,402	1,301,780
Other current liabilities		2,469,462	2,396,989
Total current liabilities		**9,914,912**	**9,936,430**
Non-current liabilities			
Provisions		910,232	743,149
Lease liabilities		446,662	490,823
Total non-current liabilities		**1,356,894**	**1,233,972**
Total liabilities		**11,271,806**	**11,170,402**
Net assets		**30,995,077**	**37,090,257**
Equity			
Issued capital	10	132,980,044	132,051,813
Reserves		(5,248,142)	(4,368,880)
Accumulated losses		(96,736,825)	(90,592,676)
Total equity		**30,955,077**	**37,090,257**

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

iCar Asia Limited and Controlled Entities
Interim condensed consolidated statement of changes in equity
For the six months ended 30 June 2020

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

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

	Issued capital	Foreign currency translation reserve	Equity reserve	Share based payment reserve	Accumulated losses	Total equity
	$	$	$	$	$	$
Balance at 1 January 2019 (Restated)	123,656,458	2,324,146	(10,965,292)	1,848,782	(79,762,037)	37,102,057
Loss after income tax expense for the period	-	-	-	-	(5,636,376)	(5,636,376)
Other comprehensive income for the period, net of tax	-	1,095,739	-	-	-	1,095,739
Total comprehensive income for the period	-	1,095,739	-	-	(5,636,376)	(4,540,637)
Transactions with owners in their capacity as owners						
41,768,763 shares issued during the period	8,435,066	-	-	(760,603)	-	7,674,463
Transaction costs (net of tax)	(29,912)	-	-	-	-	(29,912)
Shares to be issued in lieu of directors' remuneration	-	-	-	137,500	-	137,500
Executive variable remuneration	-	-	-	801,866	-	801,866
Options for loan facility	-	-	-	408,000	-	408,000
Balance at 30 June 2019	132,061,612	3,419,885	(10,965,292)	2,435,545	(85,398,413)	41,553,337

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

	Note	Consolidated 2020 $	2019 $
Cash flows from operating activities			
Receipts from customers		6,964,532	7,672,894
Payments to suppliers and employees		(10,655,688)	(11,085,461)
Income tax paid		(66,528)	(47,951)
		(3,757,684)	(3,460,518)
Interest received		10,116	53,343
Interest paid		(59,129)	(74,291)
Net cash used in operating activities		(3,806,697)	(3,481,466)
Cash flows from investing activities			
Payments for property, plant and equipment		(181,217)	(33,650)
Payments for intangibles		(375,227)	(486,022)
Net cash used in investing activities		(556,444)	(519,672)
Cash flows from financing activities			
Proceeds from issue of shares		-	7,674,586
Share issue transaction costs		-	(25,594)
Payment of lease liability		(228,120)	(241,113)
Net cash used in financing activities		(228,120)	7,407,879
Net (decrease)/ increase in cash, cash equivalents and investments		(4,591,261)	3,406,741
Net foreign exchange difference		(45,329)	(57,559)
Cash, cash equivalents and investments at the beginning of the period		6,833,304	9,531,721
Cash, cash equivalents and investments at the end of the period	**6**	**2,196,714**	**12,880,903**

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

1. Corporate information

The interim condensed consolidated financial statements of iCar Asia Limited and Controlled Entities (collectively, the 'Group') for the six months ended 30 June 2020 were authorised for issue in accordance with a resolution of the directors on 27 August 2020.

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

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

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

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2020 have been prepared in accordance with AASB 134 Interim Financial Reporting. All amounts are presented in Australian dollars and are rounded to the nearest dollar.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated annual financial statements as at 31 December 2019.

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

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

2.2 Going concern

During the half year ended 30 June 2020 the Group incurred a net loss after tax of $6.1 million (2019 $5.6 million). Net cash outflows from operating activities were $3.8 million (2019: $3.5 million). As at 30 June 2020 current liabilities of $9.9 million exceed current assets of $6.7 million by $3.2 million.

The financial report has been prepared on the basis that the Group is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The directors in their consideration of the appropriateness of the going concern basis for the preparation of the financial report have reviewed the Group's cash flow forecasts and revenue projections based on current market conditions and business plans. At the date of this report and having considered the above factors, the directors believe the Group will continue as a going concern on the basis that the Group's cash flow forecasts indicate that the Group will be able to meet its forecast net outgoings over the coming 12 months on the basis of the generation of sufficient net cash inflows from operating activities and access to $5 million in existing debt facilities that are undrawn as at the date of this report. The terms of this undrawn facility are disclosed in Note 13.

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

2.2 Going concern (continued)

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

The Group's is forecasting automotive markets in all three operating locations to recover starting in the second half of 2020 and continuing into 2021. This recovery is assumed to be led by growth in new car sales and related used car trade-in activities, both of which underpin the growth and recovery in forecast cash flow. Since June 2020, the Group is experiencing some recovery in the volume of new car sales in all 3 countries, following material COVID-19 related sales declined in March 2020 to May 2020. New car sales in Malaysia and Thailand in June 2020 delivered growth of 43% and 92% month on month respectively compared to May 2020. New car sales in Indonesia in July 2020 almost doubled from June 2020, although off a very low base.

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

In the event that cash inflows from operating activities are less than forecast to such an extent that:

- the Group is not in compliance with the terms and conditions that permit the drawdown of funds (as disclosed in Note 13) under the Catcha Loan Facility and or the facility limit of $5 million is insufficient to allow the Group to meet its debts as and when they fall due; or

- the Group requires access to additional funding after the maturity of the Catcha Loan Facility on 30 June 2021,

the Directors will seek amendment to the terms of the facility and or raise additional debt or equity funding.

These factors indicate the existence of material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, and therefore whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

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

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

2.3 Changes in accounting policies, disclosures, standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards and interpretations noted below.

(i) AASB 2019-1 Conceptual Framework

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(vi) AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions

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

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

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

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

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

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

2.4 Accounting Standards and Interpretations issued but not yet effective

At the date of authorisation of the financial report, the following Australian Accounting Standards and Interpretations relevant to the Group have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the reporting period ended 30 June 2020.

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

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

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

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

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

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The resulting accounting judgements and estimates will seldom equal the related actual results. The ongoing Covid-19 pandemic has increased the estimation uncertainty in the preparation of the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for expected credit losses of trade receivables and contract assets

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

The provision matrix is initially based on the Group's historical observed default rates. The Group has calibrated the matrix to adjust the historical credit loss experience with forward-looking information especially in light of the increased level of uncertainties caused by Covid-19. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The Group has historically experienced low levels of non-collection as the customers to which credit has been extended are large, credit-worthy institutions. Smaller customers, in particular the dealers that advertise on iCar's websites, are required to pay in advance.

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

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

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 13 of the Group's annual consolidated financial statements for the year ended 31 December 2019. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. See note 7 Significant balances for further details.

4. Revenue from contracts with customers

A. Disaggregation of revenue

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

Segments	30 June 20 $	30 June 19 $
Type of service		
Used Cars	4,254,266	3,839,932
New Cars	2,001,409	2,170,132
Total revenue from contracts with customers	6,255,675	6,010,064
Geographical markets		
Malaysia	2,549,391	2,881,074
Thailand	2,366,269	2,394,849
Indonesia	1,340,015	734,141
Total revenue from contracts with customers	6,255,675	6,010,064
Timing of revenue recognition		
Services transferred at a point in time:		
Used Cars	3,052,268	2,650,170
New Cars	7,890	40,896
Services transferred over time:		
Used Cars	1,201,998	1,189,762
New Cars	1,993,519	2,129,236
Total revenue from contracts with customers	6,255,675	6,010,064

5. Segment information

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

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

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

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

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

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

Clarification of terminology used in our financial report:

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

5. Segment information (continued)

Operating segment information

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

5. Segment information (continued)

Operating segment information (continued)

Consolidated - June 2019	Malaysia $	Indonesia $	Thailand $	Unallocated $	Total $
Revenue					
Revenue from external customers	2,881,074	734,141	2,394,849	-	6,010,064
Operating expenses	(2,444,911)	(1,541,115)	(2,265,258)	(3,447,867)	(9,699,151)
Loss before Interest, tax, depreciation and amortisation	436,163	(806,974)	129,591	(3,447,867)	(3,689,087)
Depreciation and amortisation	(122,404)	(78,866)	(139,841)	(1,354,390)	(1,695,501)
Interest income	5,750	108	84	44,670	50,612
Interest expense	(10,682)	(11,823)	(40,841)	(198,950)	(262,296)
Loss before income tax expense	308,827	(897,555)	(51,007)	(4,956,537)	(5,596,272)
Income tax expense					(40,104)
Loss after income tax expense					(5,636,376)
Assets					
Segment assets	4,741,971	2,350,622	24,877,173	17,068,872	49,038,638
Total assets					49,038,638
Liabilities					
Segment liabilities	2,237,113	1,729,864	2,479,686	1,038,638	7,485,301
Total liabilities					7,485,301

6. Cash, cash equivalents and investments

	30 June 20 $	**31 Dec 19 $**
Cash at bank	2,196,714	4,285,476
Cash on deposit	-	2,547,828
	2,196,714	**6,833,304**

7. Significant balances

Intangibles Summary	30 June 20 $	31 Dec 19 $
Autospinn.com website (Thailand)	238,536	289,244
One2Car.com brand (Thailand)	2,752,700	2,781,556
One2Car.com customer base (Thailand)	141,035	285,028
Intangibles- Customer Relationship Management platform	1,769,928	2,090,658
Intangibles- Websites and App development	4,032,629	3,998,412
Intangibles- Other	90,170	96,056
	9,024,998	**9,540,954**

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

In the six months to June 2020, additions of $1,173,442 (2019: $1,118,464) were made to internally generated intangible assets. Amortisation in the six months to June 2020 was $1,325,161 (2019: $1,273,103).

Goodwill Summary	30 June 20 $	31 Dec 19 $
Malaysian cash generating unit	1,889,501	1,933,604
Thailand cash generating unit	19,090,938	19,291,063
PT CCI (Carmudi) cash generating unit	4,220,990	4,268,833
	25,201,429	**25,493,500**

Impairment testing of goodwill and indefinite life intangibles

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

The Group also considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 30 June 2020, the market capitalisation of the Group materially exceeded the book value of its equity and therefore was not an indicator of impairment. Notwithstanding these factors, the Group considers that the sensitivity of the Group's value-in-use valuations to reasonably possible changes in assumptions is an indicator of impairment for the Group's CGUs in light of potential impact to the CGU's caused by COVID-19.

7. Significant balances (continued)

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

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

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

- **Discount rate** – The pre-tax discount rate applied to the cash flows disclosed below for each CGU represents the current market assessment of the risk specific to the CGU, taking into consideration the time value of money and the individual risks of the underlying the assets that have not been incorporated into the cash flow estimates, including uncertainty associated with the forecast COVID-19 recovery. Further changes to the discount rate may be necessary in the future to reflect changing risks of the CGUs and changes in the weighted average cost of capital.
- **Revenue growth rate** – The revenue growth rates within the 5 year forecast period reflect management's growth strategy for each CGU. The long term growth rate varies by CGU, reflecting management's longer term expectations for the specific operating country. However, given the economic uncertainty, reductions in growth estimates may be necessary in the future.

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

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

Malaysia CGU

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

Based on this assessment it was concluded that the recoverable amount of the Malaysian CGU is greater than the carrying value as at 30 June 2020.

7. Significant balances (continued)

Malaysia CGU (continued)

Sensitivity analysis

If in isolation the revenue growth rate decreased by 36% per annum over the 5 year forecast period, then the recoverable amount would be equal to the carrying amount of the Malaysian CGU at 30 June 2020. A decrease in the long term growth by 0.5% would result in a decrease in the recoverable amount of $1.8m. An increase in the discount rate of 1.0% would result in a decrease in the recoverable amount of $5.0m. This would not result in an impairment. No other reasonably possible changes in key assumptions that would result in an impairment were identified by management.

Thailand CGU

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

Based on this assessment it was concluded that the recoverable amount of the Thailand CGU is greater than the carrying value as at 30 June 2020.

Sensitivity analysis

Considering the significant carrying amount of the Thailand CGU and the sensitivity of the recoverable amount to revenue growth assumptions, the Group assessed the impact of various revenue growth scenarios on the value in use valuation by varying the revenue growth assumptions in the 5 year forecast period. This scenario analysis was performed using the Group's understanding of the current situation in Thailand, both on macro economy level as well as trajectory of Thailand's automotive industry following the relaxation of COVID-19 lockdown restrictions. . In all these scenarios, the recoverable amount is greater than its carrying value. If in isolation the revenue growth rate decreased by 15% per annum over the 5 year forecast period, then the recoverable amount would be equal to the carrying amount of the Thailand CGU at 30 June 2020.

A decrease in the long term growth by 0.5% would result in a decrease in the recoverable amount of $1.6m. An increase in the discount rate of 1.0% would result in a decrease in the recoverable amount of $4.4m. This would not result in an impairment. No other reasonably possible changes in assumptions that would result in an impairment were identified by management.

PT CCI (Carmudi) CGU

The Group used the CGU's value-in-use valuation to determine the recoverable amount, which exceeded the carrying amount. The projected cash flows were updated to reflect the 5 year Board approved plan assumptions and a pre-tax discount rate of 16.8% was applied. A long term growth rate of 5% was used to extrapolate year 5 cash flows.

Based on this assessment it was concluded that the recoverable amount of the PT CCI (Carmudi) CGU is greater than the carrying value as at 30 June 2020.

Sensitivity analysis

If in isolation the revenue growth rate decreased by 16% per annum over the 5 year forecast period, then the recoverable amount would be equal to the carrying amount of the PTCCI CGU at 30 June 2020. No other reasonable possible changes in assumptions that would result in an impairment were identified by management.

8. Business combinations

Acquisition of Carmudi Indonesia

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

The net identifiable assets and liabilities acquired are still provisional in light of the timing of the transaction and subject to warranty claim process as stated in the Share Sale Agreement. The acquisition accounting will be finalised within 12 months of the acquisition date, in line with accounting standards.

The details of the acquisition were disclosed in the annual consolidated financial statements for the year ended 31 December 2019.

9. Dividends

No dividends have been paid, declared or recommended during the six months ended 30 June 2020 (30 June 2019: nil).

10. Contributed equity

During the reporting period, the Group issued 4,142,716 (30 June 2019: 41,768,763) ordinary shares at a value of $936,084 (30 June 2019: $8,443,594).

4,142,716 (30 June 2019: 3,396,448) ordinary shares were issued to executives and directors as share based payments with a value of $936,084 (30 June 2019: $769,131) attributed to equity.

This compares to an accrual in the prior period of $1,321,618 (30 June 2019: $1,261,261).

No options (30 June 2019: 38,372,315) were exercised during the period and nil (30 June 2019: $7,674,463) attributed to equity.

11. Share based payments

Executive variable remuneration

Long term incentive plan (LTI)

Details of the incentive plan were disclosed in the annual financial statement for the year ended 31 December 2019.

Options plan

Details of the incentive plan were disclosed in the annual financial statement for the year ended 31 December 2019.

11. Share based payments (continued)

Long Term Value Creation (LTVC)

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

The fair value of LTVC granted and modified during the six months ended 30 June 2020 was estimated with the following assumptions:

Risk-free interest rate	2.2%
Expected volatility	69%
Dividend yield	0%
Model used	Monte Carlo

The entitlements also contain vesting conditions based on a required service period for each observation period end and vest 60% in the January following the observation period and 40% in the January twelve months thereafter. For any new entries granted to the LTVC scheme, the first observation period commences in the financial year in which entry was granted.

For the six months ended 30 June 2020, the Group has recognised $778,262 of share based-payments transactions expense in the statement of comprehensive income (30 June 2019: $939,366).

12. Acquisitions and disposal of assets

There were no significant acquisitions or disposals of assets during the six months ended 30 June 2020 (2019: nil).

13. Financing facility

The Group entered into a $5.0 million loan facility ('Facility') with Catcha Group Pte Ltd in November 2017. The Facility is secured by a first ranking security over all the assets of the Company in favour of Catcha Group Pte Ltd under a General Security Agreement ("Agreement"). Key terms of the Facility include:

- An interest rate of 12% per annum.
- A maturity date of 3 years.
- A commitment fee of 3% on the $5.0 million loan amount, payable upon commencement and a commitment fee of 2% per annum on the undrawn balance of the loan, which starts accruing once the Company draws on the loan.
- Draw down subject to shareholder approval (obtained at the Company's 2018 annual general meeting) of the issue of unlisted options over shares to be granted to Catcha Group Pte Ltd and other terms in the Agreement. These include, among others, the following salient terms:
    - Drawdown is capped at $1m in any one calendar month unless this limit is amended by mutual agreement.
    - No event of default has occurred prior to each drawdown.
    - Cash balance of the Group is less than $1m at the date of each drawdown request.
    - In the event that cash on hand at the end of the two consecutive quarters is below 75% of the Board approved budgeted cash then any amounts drawn down are repayable immediately, along with any interest and other facility fees payable.
- Customary financial and operational undertakings by the Company, including relating to reporting and maintenance of assets.
- Catcha Group Pte Ltd may cancel any of the undrawn commitment by giving the Group at least 3 business days' notice.

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

Shareholder approval was granted at the Company's 2018 Annual General Meeting on 25 May 2018. At 30 June 2020, the Facility remains undrawn.

The duration of Facility has been extended to 30 June 2021 with no amendment to other terms and conditions.

The amortisation of options for the loan facility for the period ended 30 June 2020 is $67,441 (30 June 2019: $149,041). During the current financial period, the Group has recognised interest charges of $25,000 for the commitment fee. The accrued commitment fee remains unpaid at 30 June 2020.

14. Contingent claims and liabilities

Various claims arise in the ordinary course of business against iCar Asia Limited and its subsidiaries. There has been no significant change in status of claims at 30 June 2020 and the directors believe that any resulting liability would not materially affect the financial position of the Group.

15. Subsequent events

There have not been any transactions or events of a material nature between the end of the reporting period and the date of this report, in the opinion of the Directors of the Group, to affect significantly the operations of the Group, the results of those operations, or state of affairs of the Group in future periods other than those disclosed in Note 2.2 on Going Concern on some early recovery signs of all markets from Covid-19 following the relaxation of lockdown restrictions.

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of iCar Asia Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 30 June 2020, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of changes in cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2020 and of its consolidated financial performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.2 in the half-year financial report, which indicates that the Group incurred a net loss of $6.1 million during the half-year ended 30 June 2020 and, as of that date, the Group's current liabilities exceeded its current assets by $3.2 million. Net cash flows used in operating activities were $3.8 million. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 30 June 2020 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

BJ Pollock
Partner
Melbourne
27 August 2020

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Group Chief Financial Officer	Yee Chin Beng chinbeng.yee@icarasia.com
Company Secretary	Hasaka Martin Hasaka.Martin@boardroomlimited.com.au
Registered office	C/O Boardroom Pty Limited Level 12, 225 George Street, Sydney, NSW 2000, Australia Tel. +61 (2) 9290 9600
Principal place of business	Suite 18.01- 3, Level 18, Centerpoint North Tower, Mid Valley City Lingkaran Syed Putra, 59200 Kuala Lumpur Malaysia Tel. +60 (3) 2776 6000 Fax. +60 (3) 2776 6010
Share register	Boardroom Pty Limited Level 12, 225 George Street, Sydney, NSW, Australia, 2000 Tel. +61 (2) 9290 9600 boardroomlimited.com.au
Auditor	Ernst & Young 8 Exhibition Street Melbourne VIC 3000 Australia
Stock exchange listing	iCar Asia Limited and Controlled Entities shares are listed on the Australian Securities Exchange (ASX code: ICQ)
Website	www.icarasia.com
Corporate Governance Statement	http://www.icarasia.com/investor-relations/corporate-governance/