iCar Asia Limited and Controlled Entities

ACN 157 710 846

Annual Report for the financial year ended

31 December 2019

Annual Report Year Ended 31 December 2019

ICAR ASIA LIMITED (ICQ) / ACN 157 710 846

The Directors present their report, together with the consolidated financial statements, of iCar Asia Limited and Controlled Entities (referred to hereafter as the 'Group') for the year ended 31 December 2019.

Directors

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

Georg Chmiel (Executive Chairman)
Patrick Grove (Non-executive Director)
Lucas Elliott (Non-executive Director)
Syed Khalil Ibrahim (Independent, non-executive Director)
Peter Everingham (Independent, non-executive Director)
Richard Kuo (Independent, non-executive Director)
Hamish Stone (Managing Director and Chief Executive Officer) appointed 20 February 2020

Information on directors

Name:	Georg Chmiel
Title:	Executive Chairman
Qualifications:	Diplom-Informatiker, MBA (INSEAD), CPA (USA), FAICD
Experience and expertise:	Mr Chmiel brings over 26 years of experience in the financial services industry, online media and real estate industry. Mr Chmiel was most recently Managing Director and CEO of iProperty Group, the owner of Asia's No. 1 network of property portal sites and related real estate services. He played a key role in finalising the sale of iProperty Group to REA Group, Southeast Asia's largest ever internet buyout. Prior to iProperty Group, Mr Chmiel was Managing Director and CEO of LJ Hooker Group with 700 offices across nine countries providing residential and commercial real estate as well as financial services.
Other current directorships:	Centrepoint Alliance (appointed 7 October 2016)
Former directorships (in the last 3 years):	iProperty Group Limited, Mitula Group Limited
Special responsibilities:	None
Interests in shares:	1,298,714
Interests in options:	1,000,000

Name:	Patrick Grove
Title:	Non-executive Director
Qualifications:	Bachelor of Commerce degree with a major in Accounting and Finance from the University of Sydney.
Experience and expertise:	Board member since June 2012. Mr Grove is a co-founder of the Group. Mr Grove's experience and expertise includes mergers and acquisitions and the extraction of investment value in high growth, media and technology environments. Mr Grove has built a number of significant media and internet businesses across Asia and has taken five businesses from start-up to initial public offering. He has been recognised with numerous international awards, including Global Leader of Tomorrow by the World Economic Forum (2001), New Asian Leader by the World Economic Forum (2003), Entrepreneur of the Year by the Australian Chamber of Commerce (2004), Business Week Asia's Top Entrepreneur under 40 (2008), one of Asia's Best Young Entrepreneurs by Bloomberg Businessweek (2008), and Top 50 Global Achiever (2013) by Australia Unlimited. Mr Grove holds a Bachelor of Commerce degree with majors in Accounting and Finance from the University of Sydney. Mr Grove is the Chief Executive Officer, Chairman and major shareholder of Catcha Group, one of South East Asia's most dynamic investment groups. Mr Grove is also a Director of Rev Asia Berhad, a Malaysia-listed company.
Other current directorships:	Rev Asia Berhad (appointed 6 October 2010)
Former directorships (in the last 3 years):	None
Special responsibilities:	None
Interests in shares:	119,943,310
Interests in options:	3,777,777

Name:	Lucas Elliott
Title:	Non-executive Director
Qualifications:	Bachelor of Commerce degree with a major in Finance from the University of Sydney.
Experience and expertise:	Board member since April 2012. Mr Elliott is a co-founder of the Group. He has over 20 years of Asian online experience, with a focus on developing fast moving online business models and monetising online assets. Mr Elliott is also a co-founder of Catcha Group, where he is responsible for all aspects of Catcha Group's corporate finance activities, including mergers and acquisitions, capital raisings and public listings. Mr Elliott has a Bachelor of Commerce degree with a major in Finance from the University of Sydney. Mr Elliott is a Director Rev Asia Berhad, a Malaysia-listed company.
Other current directorships:	Rev Asia Berhad (appointed 1 April 2013)
Former directorships (in the last 3 years):	None
Special responsibilities:	Member of the Nomination & Remuneration Committee and member of the Audit & Risk Committee
Interests in shares:	119,943,310
Interests in options:	3,777,777

Name:	Syed Khalil Ibrahim
Title:	Independent, non-executive Director
Qualifications:	Bachelor of Commerce Majoring in Finance and Bachelor of Engineering Majoring in Mechanical Engineering (First Class Honours)
Experience and expertise:	Khalil has extensive experience in the Automotive industry and is currently the Managing Director and controlling shareholder of SISMA Auto (a dealer group representing Jaguar Land Rover and Volvo in Malaysia). He also is also a Director of Jaguar Land Rover (Malaysia), the sole importer and distributor for Jaguar Land Rover in Malaysia. Prior to that, Khalil worked with CI Holdings Berhad and Boston Consulting Group at their Sydney and New York offices.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	Chairman of the Nomination & Remuneration Committee and member of the Audit & Risk Committee
Interests in shares:	2,483,134
Interests in options:	None

Name:	Peter Everingham
Title:	Independent, non-executive Director
Qualifications:	MBA from IESE, a Bachelor of Economics from The University of Sydney and is a GAICD
Experience and expertise:	Peter is an experienced executive and non-executive Director of digital and technology businesses having worked in the sector for over 19 years. Up until December 2016, Peter was Managing Director of SEEK Limited's International Division which includes their online businesses in China, Hong Kong and South East Asia. He led the merger of JobStreet and JobsDB in Asia, based out of the Kuala Lumpur Office, and was Chairman of SEEK's China business called Zhaopin. Prior to SEEK, Peter was Director of Strategy for Yahoo! in Australia and South East Asia which included investing in Australia's leading online car classifieds business, carsales.com.au.
Other current directorships:	Super Retail Group Limited (appointed 19 December 2017), ME Bank Limited
Former directorships (in the last 3 years):	Zhaopin Limited
Special responsibilities:	Member of the Nomination & Remuneration Committee
Interests in shares:	196,745
Interests in options:	None

Name:	Richard Kuo
Title:	Independent, non-executive Director
Qualifications:	B.com., LL.B, FAICD
Experience and expertise:	Richard is the co-founder and CEO of Pier Capital, a boutique investment banking firm. He is a director of SCEGGS Darlinghurst Limited, the Chairman of Intrepica Pty Ltd, the owner of education technology business LiteracyPlanet, and has been a director of a range of companies in Australia and Asia in the technology, digital media, pharmaceutical, and not-for-profit sectors. Previously, Richard practiced as a lawyer specialising in corporate law before moving into investment banking and then as a member of the senior management team of what grew to be Australia's largest software company. Richard has qualifications in law, accounting, finance and investment and is a Fellow of the AICD.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	Chairman of the Audit and Risk Committee
Interests in shares:	239,880
Interests in options:	None

Name:	Hamish Stone
Title:	Managing Director and Group Chief Executive Officer
Qualifications:	Bachelor of Commerce (Honours) majoring in Economics and Marketing from The University of Sydney
Experience and expertise:	Mr Stone joined iCar Asia as Group Chief Executive Officer in June 2016, and joined the iCar Asia Board in February 2020. In his roles as Group Chief Executive Officer, Mr Stone provides the business vision, strategy and leadership to iCar Asia across Malaysia, Thailand and Indonesia. Mr Stone is an expert in digital marketplaces having worked at eBay for 10 years across 3 key markets and brands. He led the automotive verticals for the eBay classified businesses of Gumtree.com in the U.K., and Marktplaats.nl in The Netherlands and was the Head of Marketing for eBay Australia and New Zealand based in eBay's Sydney office. Prior to that Mr Stone worked for Charles River Associates, a leading global consulting firm.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	None
Interests in shares:	3,488,438 (held in spouse name Melanie Stone)
Interests in options:	None

Company Secretary

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

Dividends

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

Principal activities

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

The Group operated internet based automotive portals in Malaysia, Thailand and Indonesia. The portals cater to two automotive market segments, being used car buyers and new car buyers. Business activities in these two segments are the following:

Used Car
- Classifieds
- Auction
- Others - warranty, inspection and private seller service, carsentro

New Car
- New Car Dealers
- Media
- Events

Financial Performance

Strong revenue growth of 28% year on year to $14,841,298

In the year ended 31 December 2019 the Group generated $14,841,298 in revenue (2018: $11,555,944), an increase of 28% over the previous corresponding period (pcp).

Growth was primarily driven by the Group's core Classified, Media and Event business, with a small but increasing contributions from auction and new car dealer activities.

As a results of prudent cost management and further optimisation in marketing investment, operating expenses decreased by 8% in 2019 to $21,028,081 excluding cost of goods sold amounting to $550,382 (2018: $22,867,719) with reductions mainly in employment related expenses and advertising & marketing expenses and reclassification of lease rental of $670,370 to depreciation and amortisation expenses following the adoption of new accounting standard AASB16 Leases. With higher revenue and a lower cost base, pro forma EBITDA losses significantly reduced by 45% year on year to $5,511,255 (2018: $10,035,451). See below for a description of pro forma EBITDA.

In November 2019, the Group achieved run rate monthly EBITDA breakeven, one month ahead of guidance. Investment in the business to successfully integrate the acquisition of Carmudi in November 2019, among other expenses, is expected to return the company to a temporary period of EBITDA loss before the Group returns to EBITDA profitability later in 2020.

The Group's cashflow improved in line with revenue growth and EBITDA improvement. Receipts from customers during the year grew by 28% to $16,074,874 (2018: $12,594,587) while net cash used in operating activities reduced by 43% to $6,559,039 (2018: $11,469,810). The lower net operating cash outflows was impacted by the reclassification of lease payment to finance expenses by $161,704.

As at 31 December 2019 the Group had $6,833,304 in cash, cash equivalents and investments. The Group has access to additional funds of up to $5,000,000 from a debt facility, but is currently not expecting to draw down on this facility in its current capital and business plans.

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.

iCar Asia finished the year strongly in all 3 countries

Malaysia:

The Malaysia business achieved an important financial milestone by reporting full year EBITDA and cashflow positivity in 2019. Full year EBITDA profit was at $1,554,725, compared to an EBITDA loss of $305,780 in 2018. This result was largely due to a 40% growth in revenue in 2019 compared to the pcp.

The Used Car - Classified and New Car - Media activities continued to be the main contributors, complemented by new revenue streams in Used Car - Auction and New Car – Dealers. Both of these new business lines are expected to contribute more materially in 2020. Two major events were successfully executed in 2019 that contributed to revenue and profit growth.

Malaysia operational metrics progress in some key core areas, with changes in strategy in some marketing channels flowing through to improvements in these metrics. Paid accounts for the Q4 of 2019 showed an average increase of 24% compared with the pcp. The strategy to focus on listing quality where low quality or sold listings were removed from the marketplace was introduced in Q3 2018 resulting in the number of listing for Q4 2019 decreasing by 7% on a pcp basis but remained at a similar level to Q3 2019. Audience and lead numbers in Q4 2019 decreased on average by 19% and 20% respectively compared to the pcp, but importantly leads in Q4 2019 increased by 4% versus Q3 2019.

Thailand

The Thailand business achieved an important financial milestone in 2019 by becoming EBITDA and cashflow positive for the full financial year. This was despite a period of disruption from both a general election and the King's Coronation ceremony where business activity levels dropped materially. EBITDA for the full year was at $180,404, a significant improvement from an EBITDA loss of $572,073 in 2018. Revenue generated in the 2019 year grew by 7% compared to the pcp, despite the slowdown in business activities.

The Used Car - Classified and New Car - Media segments continued to be the main contributors, complemented by new revenue streams in Used Car - Auction and New Car - Dealers. Both of these new business lines are expected to contribute more materially in 2020.

Despite challenges during the year, the Thailand businesses finished the year in a solid position. Number of paid accounts was up by 1% in Q4 2019 compared to the pcp while listings were flat in Q4 2019 compared to the pcp. Audience and leads in Q4 2019 were lower compared to the pcp by 20% and 12% respectively, with the continued focus to grow quality audience and leads, however the decline has stopped with Q4 2019 at similar levels to Q3 2019.

Indonesia

The Indonesian business achieved 69% revenue growth driven by a full year's results of the monetisation strategies in Used Car introduced in 2018 and the contribution from the acquired business of Carmudi Indonesia. Revenue in 2019 increased to $1,941,065 million from $1,145,644 million in 2018 and together with prudent cost control, EBITDA loss for the year was substantially reduced by 60% to $1,387,663 million from $3,438,824 million in 2018.

For the Group's existing operations, the year also finished well in a number of key metrics. The number of paid accounts increasing by 53% on average for Q4 2019 compared to the pcp, and leads increasing by 9% respectively compared to the pcp. This was achieved despite audience in Q4 2019 being 11% lower compared to the pcp.

On 11 November 2019, the Group completed the acquisition of PT Car Classified Indonesia (referred to hereafter as "PTCCI" or "Carmudi"). Operationally the acquisition of Carmudi contributed to an uplift of 46% in audience in Indonesia's combined business to 5,297,193 million unique visitors in the month of December 2019.

The expanded iCar Asia Indonesian business is expected to more than double the Group's Indonesian revenues, increasing the overall revenue contribution of Indonesia from approximately 12% to 22%. Realisation of cost and revenue synergies are expected to result in the combined Indonesian businesses breaking even in 2020.

2020: Achieving Full Year Group EBITDA Breakeven

Following the Group reaching EBITDA breakeven in November 2019, the outlook for 2020 remains promising with revenue currently expected to grow by at least 50% over the 2020 year. This will be achieved through consistent growth of the Group's core businesses, and the contribution from the Carmudi business for a full year. Based on this current outlook, the Group is expected to become cash flow positive in the second half of 2020 and be EBITDA positive in aggregate for the 2020 financial year

Pro forma financial results

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

The following table reconciles the statutory result to pro forma financial results for the year ended 31 December 2019 (these measures have not been subject to audit or review by the Group's external auditor):

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

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

The following table reconciles the statutory result to pro forma financial results for the year ended 31 December 2018 (these measures have not been subject to audit or review by the Group's external auditor):

Year ended 31 December 2018 $'000	**Sales**	**EBITDA**	**NPAT**
Statutory results	**11,556**	**(11,312)**	**(13,606)**
Employee equity incentive expense	-	**1,276**	-
Tax impact from underlying adjustments	-	-	-
Pro forma results	**11,556**	**(10,036)**	**(13,606)**

[1] The adjustment removes the portion of directors' remuneration paid in shares, short-term incentive plan (STI), long-term incentive plan (LTI), option plan and long-term value creation plan (LTVC) expense incurred during FY2018.

Matters subsequent to the reporting date

There have not been any transactions or events of a material and unusual nature between 31 December 2019 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 years.

Significant changes in the state of affairs

On 11 November 2019, the Group completed the acquisition of PT Car Classifieds Indonesia, as described above. There were no other significant changes in the state of affairs of the Group.

Likely developments and expected results of operations

In 2020 the Group expects to continue to grow its core business of used cars and new cars to solidify leadership positions in all markets that it operates. With the expected full integration of Carmudi, the Group is expected to achieve run rate breakeven for its Indonesia operation. Malaysia and Thailand operations are expected to continue delivering higher EBITDA and together with the expected improvement in its Indonesia operation, the Group is expected to achieve full year positive EBITDA for financial year ending 2020.

Indemnity and insurance of officers

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

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

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

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

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

Indemnity of auditors

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

Meetings of Directors

The number of meetings of the company's Board of Directors ('the Board') and of each board committee held during the year ended 31 December 2019, and the number of meetings attended by each Director were:

	Full Board		Audit & Risk Committee		Remuneration & Nomination Committee	
	Attended	**Held**	**Attended**	**Held**	**Attended**	**Held**
Georg Chmiel	8	8	-	-	-	-
Patrick Grove	7	8	-	-	-	-
Lucas Elliott	7	8	4	6	3	3
Syed Khalil Ibrahim	8	8	6	6	3	3
Peter Everingham	8	8	-	-	3	3
Richard Kuo	8	8	6	6	-	-

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

Auditor independence and non-audit services

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

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

	$
Tax compliance services	4,517

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

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 30.

Auditor

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

Share options

Unissued shares

As at the date of this report and reporting date, there were 4,777,777 unissued ordinary shares under options outstanding for Key Management Personnel (KMP) remuneration. Refer to the Remuneration Report for further details of the options outstanding for KMP.

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

Shares issued as a result of the exercise of options

During the financial year, shareholders have exercised options to acquire 38,372,315 fully paid ordinary shares in iCar Asia Limited at a weighted average exercise price of $0.20 per share.

During the financial year, employees and executives have exercised options to acquire 10,394,851 fully paid ordinary shares in iCar Asia Limited at a weighted average exercise price of $0.20 per share.

Remuneration Report (audited)

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

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

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

A Principles used to determine the nature and amount of remuneration

Nomination & Remuneration Committee

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

The responsibilities of the Nomination & Remuneration Committee are to:

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

- Oversee the Group's general remuneration strategy;

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

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

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

Key management personnel

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

Remuneration Report (audited) (continued)

Advisers

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

Reward policy

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

Reward philosophy

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

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

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

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

Executive Chairman and non-executive directors remuneration

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

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

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

Maximum aggregate non-executive directors fee pool

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

Remuneration Report (audited) (continued)

The table below summarises the prevailing Board and Committee fees payable to Directors at the close of year 2019:

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

The Executive Chairman is paid an additional $127,500 cash in 2019 for the executive component of the role. The Executive Chairman was also granted a one-off issuance of $10,000 in shares in the Company, which was approved by shareholders at the Annual General Meeting on 27 May 2019.

Executive remuneration

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

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

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

The remuneration structure is in two parts:

- Fixed remuneration; and
- Variable remuneration

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

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

Remuneration Report (audited) (continued)

Long-term incentive plan (LTI)

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

Options plan

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

During the previous year, options granted to certain key management personnel were replaced by a share appreciation rights scheme as detailed below.

Additional incentives

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

During the previous year, additional incentives granted to certain key management personnel were replaced by a share appreciation rights scheme as detailed below.

Long Term Value Creation (LTVC)

The Group issued certain key management personnel with share appreciation rights as replacement awards under the existing executive variable remuneration plan for additional incentives and options. The existing Long Term Incentive plan is not affected by this new scheme and will run as per respective service agreements of key management personnel. The purpose of the LTVC scheme is to reward the value creation developed by the executives in driving growth in the business. The 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). 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. 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.

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.

Remuneration Report (audited) (continued)

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

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

The company received in excess of 97.12% of 'for' votes in relation to its remuneration report for the year ended 31 December 2018. The company did not receive any specific comments at the AGM in regard to its remuneration practices and report.

B Details of remuneration

The table below outlines the key management personnel of the Group and their movements during full year 2019:

Name	Position	Term as KMP
Executive Director		
Georg Chmiel	Executive Chairman	Full financial year
Hamish Stone	Managing Director	Appointed 20 February 2020
Non-executive Directors		
Patrick Grove	Non-executive Director	Full financial year
Lucas Elliott	Non-executive Director	Full financial year
Syed Khalil Ibrahim	Independent Non-executive Director	Full financial year
Peter Everingham	Independent Non-executive Director	Full financial year
Richard Kuo	Independent Non-executive Director	Full financial year
Senior Executives		
Hamish Stone	Group Chief Executive Officer	Full financial year
Yee Chin Beng	Group Chief Financial Officer	Full financial year
Pedro Sttau	Group Chief Information Officer	Resigned 27 September 2019
Kjetil Hellebo Rohde Jakobsen	Group Chief Information Officer	Appointed 17 September 2019
Jonathan Adams	Group Chief Marketing Officer	Full financial year

Remuneration Report (audited) (continued)

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

		Short-term benefits		Share-based payments						
		Salary & fees $	Other[8] $	Remuneration[1] $	LTI shares $	Additional incentives[7] $	Options[7] $	LTVC[7] $	Total Remuneration $	Performance related %
G Chmiel[2]	**2019**	**127,500**	**-**	**130,000**	**-**	**-**	**46,665**	**-**	**304,165**	**-**
Executive Chairman	2018	150,000	-	120,000	-	-	46,665	-	316,665	-
P Grove[3]	**2019**	**30,000**	**-**	**30,000**	**-**	**-**	**-**	**-**	**60,000**	**-**
Non-executive Director	2018	30,000	-	30,000	-	-	-	-	60,000	-
L Elliott[3]	**2019**	**30,000**	**-**	**30,000**	**-**	**-**	**-**	**-**	**60,000**	**-**
Non-executive Director	2018	30,000	-	30,000	-	-	-	-	60,000	-
S Khalil Ibrahim	**2019**	**40,000**	**-**	**30,000**	**-**	**-**	**-**	**-**	**70,000**	**-**
Non-executive Director	2018	30,000	-	30,000	-	-	-	-	60,000	-
P Everingham	**2019**	**30,000**	**-**	**30,000**	**-**	**-**	**-**	**-**	**60,000**	**-**
Non-executive Director	2018	30,000	-	30,000	-	-	-	-	60,000	-
R Kuo	**2019**	**35,000**	**-**	**35,000**	**-**	**-**	**-**	**-**	**70,000**	**-**
Non-executive Director	2018	35,000	-	35,000	-	-	-	-	70,000	-
Total Directors	**2019**	**292,500**	**-**	**285,000**	**-**	**-**	**46,665**	**-**	**624,165**	
	2018	305,000	-	275,000	-	-	46,665	-	626,665	

[1] Shares to be issued to directors in lieu of fees are to be ratified at the upcoming annual general meeting
[2] The Executive Chairman's Options do not contain any performance conditions therefore are not classified as performance related
[3] Shares allocated to the Director will be issued to Catcha Group Pte Ltd

		Short-term benefits		Share-based payments						
		Salary & fees $	Other[8] $	Remuneration[1] $	LTI shares $	Additional incentives[7] $	Options[7] $	LTVC[7] $	Total Remuneration $	Performance related %
H Stone	**2019**	**353,026**	**66,507**	**100,000**	**363,983**	**-**	**-**	**313,265**	**1,196,781**	**65%**
Chief Executive Officer	2018	392,500	65,776	-	136,733	-	16,069	446,145	1,057,223	57%
J Dische	**2019**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0%**
Chief Financial Officer	2018	122,341	61,050	-	-	-	-	-	183,391	0%
Yee Chin Beng	**2019**	**199,573**	**-**	**-**	**64,000**	**-**	**-**	**10,432**	**274,005**	**27%**
Chief Financial Officer	2018	98,849	-	-	-	-	-	-	98,849	0%
P Sttau[5]	**2019**	**179,903**	**37,361**	**-**	**-**	**-**	**-**	**-**	**217,264**	**0%**
Chief Information Officer	2018	235,000	49,382	-	85,010	12,253	-	160,612	542,257	48%
K Jakobsen[6]	**2019**	**66,004**	**14,475**	-	-	-	-	-	**80,479**	**0%**
Chief Information Officer	2018	-	-	-	-	-	-	-	-	-
J Adams	**2019**	**179,413**	**58,569**	**-**	**50,408**	**-**	**-**	**62,653**	**351,045**	**32%**
Chief Marketing Officer	2018	177,500	55,548	-	20,261	-	1,465	89,229	344,003	32%
Total Executive	**2019**	**911,915**	**162,437**	**100,000**	**478,392**	**-**	**-**	**386,350**	**2,039,094**	
	2018	1,026,190	231,755	-	242,004	12,253	17,534	695,986	2,225,724	
Total Remuneration	**2019**	**1,270,419**	**176,912**	**385,000**	**478,392**	**-**	**46,665**	**386,350**	**2,743,738**	
	2018	1,331,190	231,755	275,000	242,004	12,253	64,199	695,986	2,852,389	

[4] J Dische resigned on 14 June 2018.
[5] P Sttau resigned on 27 September 2019 and forfeited his LTI shares and LTVC for 2019.
[6] Appointed 17 September 2019. Not eligible for LTI during probation period.
[7] The LTVC award is a replacement award for Options and Additional Incentives for H Stone and J Adams from the grant date of 22 February 2018. The expense for LTVC from 22 February 2018 for financial year 2018 has been classified in the LTVC column. The expense for Options and Additional Incentives from 1 January 2018 to 22 February 2018 has been classified in the Options and Additional Incentives columns respectively.
[8] Other short-term benefits include housing and school fee allowances

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

No material contracts involving Directors' interests were entered into since the end of the previous financial year, or existed at the end of the year, other than those transactions detailed in Note 26 Related party transactions in the financial statements.

Remuneration Report (audited) (continued)

Shareholdings of KMP[1] held in iCar Asia Limited

31 December 2019	Balance at the beginning of the period 1 January 2019	Granted as remuneration	Net change Other[2]	Balance at the end of the period 31 December 2019
Executive Director:				
G Chmiel	715,077	583,637	-	1,298,714
Non-Executive Directors:				
P Grove[3,4]	109,673,940	134,685	10,134,685	119,943,310
L Elliott[3,4]	109,673,940	134,685	10,134,685	119,943,310
S Khalil Ibrahim	2,070,705	134,685	277,744	2,483,134
P Everingham	62,060	134,685	-	196,745
R Kuo	82,747	157,133	-	239,880
Other Key Management Personnel:				
H Stone	2,326,796	1,044,535	117,107	3,488,438
P Sttau[5]	623,225	368,554	(991,779)	-
K Jakobsen	-	-	-	-
Yee Chin Beng	-	-	-	-
J Adams	87,280	87,280	-	174,560

[1] Includes shares held directly, indirectly and beneficially by KMP.
[2] All equity transactions with KMP other than those arising from remuneration by the Group have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.
[3] P Grove and L Elliott have a relevant interest in securities held by ICQ Holdings Sdn Bhd and Catcha Group Pte Ltd totalling 119,943,310.
[4] Shares allocated to the Director were issued to Catcha Group Pte Ltd.
[5] P Sttau resigned on 27 September 2019. Net other change in shares reflects that P Sttau was not a KMP at 31 December 2019 and therefore has a holding of nil. At the date of resignation, P Sttau held 700,000 shares in the Company.

Remuneration Report (audited) (continued)

C Service agreements

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

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

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

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

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

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

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

The following table outlines the proportion of maximum LTI earned in relation to the financial year ended 2019. There were no employees in service at 31 December 2019 entitled to the STI incentive.

	Maximum LTI opportunity (% of fixed remuneration)	**% of maximum LTI earned**
H Stone (CEO)	160%	144%
Yee Chin Beng (CFO)	100%	90%
J Adams (CMO)	100%	58%

Remuneration Report (audited) (continued)

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

Name:	Mr Georg Chmiel
Title:	Executive Chairman
Term of agreement:	3 months termination notice period by executive and company.
Details:	Base salary cost is AUD 127,500 per annum. Base salary adjusted to AUD 150,000 per annum from 1 January 2020. *Long term incentive* Not applicable *Options:* 1,000,000 options exercisable at $0.40 per option vesting on 31 December 2019 and expiring on 31 December 2021.

Name:	Mr Hamish Stone
Title:	Chief Executive Officer and Managing Director
Term of agreement:	6 months termination notice period by executive and company.
Details:	Base salary cost is AUD $450,000, of which $350,000 will be paid in cash and $100,000 will be paid in shares in the Company (with trading lock on shares for 12 months from issue date). *Long term incentive* Up to AUD 720,000 per annum subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding financial year to which the incentive relates. The shares are issued in 3 instalments: 3 months, 15 months and 27 months after the end of the annual performance period to which the LTI relates, split as 40%, 30%, 30% respectively. Please see above for performance criteria. Please see page 24-25 for amount awarded for 2019 financial year. *Other benefits:* Housing allowance of MYR 16,000 per month (equivalent to approximately 2019: AUD 5,542 (2018: AUD 5,358) per month). *Options:* This options scheme has been replaced by long term value creation scheme. See Section D Share-based compensation. *Long term value creation (LTVC)* LTVC share for Hamish is 1.25%. LTVC scheme entitlements is based on exceeding a specified share price hurdle in any of the three observation periods (2018, 2019 and 2020). The number of entitlements will be based on the Volume Weighted Average Price of the Group's share price in the December of the relevant observation period.

Remuneration Report (audited) (continued)

Name:	Yee Chin Beng
Title:	Chief Financial Officer
Term of agreement:	6 months termination notice period by executive and company.
Details:	Base salary cost is AUD 192,000 per annum.

Long term incentive

Up to AUD 192,000 per annum subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding financial year to which the incentive relates. The shares are issued in 3 instalments: 3 months, 15 months and 27 months after the end of the annual performance period to which the LTI relates, split as 33%, 33%, 33% respectively.

Please see above for performance criteria. Please see page 24-25 for amount awarded for 2019 financial year.

Long term value creation:

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

Name:	Mr Pedro Sttau (Resigned 27 September 2019)
Title:	Chief Information Officer
Term of agreement:	6 months termination notice period by executive and company.
Details:	Base salary cost is AUD 240,000 per annum.

Long term incentive:

Up to AUD 324,000 per annum subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding financial year to which the incentive relates. The shares are issued in 3 instalments: 3 months, 15 months and 27 months after the end of the annual performance period to which the LTI relates, split as 33%, 33%, 33% respectively.

Please see above for performance criteria. Please see page 24-25 for amount awarded for 2019 financial year.

Additional incentive

Additional incentive scheme was replaced by Long Term Value Creation scheme.

Long term value creation:

LTVC share for Pedro is 0.45%. LTVC scheme entitlements is based on exceeding a specified share price hurdle in any of the three observation periods (2018, 2019 and 2020). The number of entitlements will be based on the Volume Weighted Average Price of the Group's share price in the December of the relevant observation period.

Other benefits:

Housing allowance of MYR 12,000 per month (equivalent to approximately 2019: AUD 4,151 (2019: AUD 4,019) per month).

Name:	Kjetil Hellebo Rohde Jakobsen (Appointed 17 September 2019)
Title:	Chief Information Officer
Term of agreement:	6 months termination notice period by executive and company.
Details:	Base salary cost is AUD 235,000 per annum.

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

Please see above for performance criteria. Please see page 24-25 for amount awarded for 2019 financial year.

Other benefits:
Housing allowance of MYR 12,000 per month (equivalent to approximately 2019: AUD 4,825 per month).

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

Long term incentive:
Up to AUD 180,000 per annum subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding financial year to which the incentive relates. The shares are issued in 3 instalments: 3 months, 15 months and 27 months after the end of the annual performance period to which the LTI relates, split as 33%, 33%, 33% respectively.

Please see above for performance criteria. Please see page 24-25 for amount awarded for 2019 financial year.

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

Other benefits:
School fee allowance of AUD 44,000 per annum.

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

Remuneration Report (audited) (continued)

D Share-based compensation

Issue of shares

Details of shares issued to Directors and other key management personnel as part of compensation during the year ended 31 December 2018 are set out below:

	Financial Year	Category	Number of Shares granted up to 31 December 2019	Number of shares vested during 2019	Fair Value per share $	Fair value of shares $	Grant date	Vesting date	Issue date
Executive Director:									
G Chmiel	2018	Director Fees	583,637	583,637	0.2227	130,000	February 2019	February 2019	June 2019
Non-Executive Directors:									
P Grove	2018	Director Fees[1]	134,685	134,685	0.2227	30,000	February 2019	February 2019	June 2019
L Elliott	2018	Director Fees[1]	134,685	134,685	0.2227	30,000	February 2019	February 2019	June 2019
S Khalil Ibrahim	2018	Director Fees	134,685	134,685	0.2227	30,000	February 2019	February 2019	June 2019
P Everingham	2018	Director Fees	134,685	134,685	0.2227	30,000	February 2019	February 2019	June 2019
R Kuo	2018	Director Fees	157,133	157,133	0.2227	35,000	February 2019	February 2019	June 2019
J Olsen	2018	Director Fees	375,000	375,000	0.2000	75,000	February 2019	February 2019	June 2019
Other Key Management Personnel:									
H Stone	2017	LTI	459,247	459,247	0.2450	112,516	February 2018	February 2019	February 2019
	2017	LTI	459,247	-	0.2450	112,516	February 2018	February 2020	February 2020
	2016	LTI	128,667	128,667	0.2000	25,733	February 2017	February 2019	February 2019
	2019	Remuneration	456,621	456,621	0.2190	100,000	February 2019	February 2019	February 2019

Remuneration Report (audited) (continued)

	Financial Year	Category	Number of Shares granted up to 31 December 2019	Number of shares vested during 2019	Fair Value per share $	Fair value of shares $	Grant date	Vesting date	Issue date
Other Key Management Personnel:									
P Sttau	2016	LTI	116,120	116,120	0.2000	23,224	February 2017	February 2019	February 2019
	2017	LTI	252,434	252,434	0.2450	61,846	February 2018	February 2019	February 2019
J Adams	2017	LTI	87,280	87,280	0.2450	21,384	February 2018	February 2019	February 2019
	2017	LTI	87,280	-	0.2450	21,384	February 2018	February 2020	February 2020

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

Share based payments of $950,932 have been accrued in relation to 2019 in lieu of Directors Fees ($275,000) and executive variable remuneration ($950,932). The number of shares to be granted will be agreed at the meeting of the Nomination & Remuneration Committee in February 2020.

Remuneration Report (audited) (continued)

Options

In April 2017 and May 2017 3,750,000 share options were granted to certain senior executives. The senior executives must be employed by the company on the vesting date or the options lapse. All options will be settled in shares.

In 2018, options granted to key management personnel, with the exception of Executive Chairman, were replaced by the Long Term Value Creation scheme (LTVC).

The table below discloses the number of share options granted, vested or lapsed during previous financial years that existed at 31 December 2019.

Key management personnel	Year Awarded	Options awarded during the year No.	Award date	Fair value per option at award date ($)	Vesting Date	Exercise price	Expiry date	No. vested during the year	No. lapsed during the year	Value of options awarded FY 2017 $
G Chmiel (Executive Chairman)	2017	1,000,000	26 May 2017	$0.129	31 December 2019	$0.40	31 December 2021	-	-	$129,000

There were no other options granted, vested or lapsed during the 2019 financial year.

Remuneration Report (audited) (continued)

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

Options holdings of KMP							
KMP	**Balance 1 January 2019**	**Granted as remuneration**	**Options exercised**	**Net change other**	**Balance 31 December 2019**	**Exercisable**	**Not exercisable**
G Chmiel (Exec. Chairman)	1,000,000	-	-	-	1,000,000	1,000,000	-
H Stone (CEO)	117,107	-	117,107	-	-	-	-
S Khalil Ibrahim (Director)	277,744	-	277,744	-	-	-	-
P Grove (Director)	25,963,757	-	10,000,000	12,185,980	3,777,777	3,777,777	-
L Elliott (Director)	25,963,757	-	10,000,000	12,185,980	3,777,777	3,777,777	-

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

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

Long term value creation (LTVC)

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

	LTVC
Share price hurdle	$0.30
Baseline share price	$0.18
Dividend yield	0%
Expected volatility	62%
Expected volatility (new entrants 2019)	66%
Risk-free interest rate	2.20%
Model used	Monte Carlo

The table below discloses the accounting amortisation of LTVC Scheme in financial statements for the year ended 31 December 2019 relating to key management personnel. The table also discloses the total grant date fair value of the LTVC awarded to each key management personnel. The amortisation value is based on the fair value of LTVC Scheme at grant date. The LTVC Scheme entitlements is based on exceeding a specified share price hurdle in any of the three observation periods (2018, 2019 and 2020). For the December 2019 observation period, the volume weighted average price exceeded the specified share price hurdle. The number of shares awarded under the LTVC scheme for 2019 was 3,415,865 of which 2,049,519 (representing 60%) vested on 31 January 2020. The remaining 40% are due to vest on 31 January 2021 provided the key management personnel remains in service.

Key management personnel	**Share of value creation**	**Amortisation in 2019** **$**	**Grant date fair value** **$**
H Stone Chief Executive Officer	1.25%	313,265	934,926
Yee Chin Beng Chief Financial Officer	0.30%	10,432	22,075
P Sttau[1] Chief Information Officer	0.45%	-	336,573
J Adams Chief Marketing Officer	0.25%	62,653	186,985

[1] P Sttau resigned on 27 September 2019.

E Additional Information

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

The performance of the Group for the year to 31 December 2019 and the previous four years is summarised below:

	2019	2018	2017	2016	2015
Revenue	14,841,298	11,555,944	9,111,498	6,663,394	6,277,576
EBITDA	(6,737,164)	(11,311,775)	(11,825,817)	(13,812,745)	(11,455,311)
Loss after income tax	(10,786,557)	(13,606,453)	(13,377,600)	(14,999,485)	(12,537,199)

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

	2019	2018	2017	2016	2015
Share price at financial year end ($A)	0.30	0.14	0.20	0.25	0.96
Basic loss per share (cents per share)	(2.65)	(3.57)	(4.12)	(5.59)	(5.43)
Diluted loss per share (cents per share)	(2.65)	(3.57)	(4.12)	(5.59)	(5.43)

The Group entered into a $5,000,000 secured loan facility provided by Catcha Group Pte Ltd to be used for working capital purposes if and when required and which may be drawn down subject to a related issue of options to Catcha Group Pte Ltd and other conditions. For further details see Note 23 Financing facility.

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

This concludes the remuneration report, which has been audited.

Signed in accordance with a resolution of the directors.

Georg Chmiel
Executive Chairman

Kuala Lumpur
26 February 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 audit of the financial report of iCar Asia Limited for the financial year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

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

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

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

Ernst & Young

Ernst & Young

BJ Pollock

BJ Pollock
Partner
26 February 2020

iCar Asia Limited and Controlled Entities
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2019

	Note	Consolidated 2019 $	2018[1] $
Revenue	4	14,841,298	11,555,944
Expenses			
Administration and related expenses		(2,425,487)	(2,381,552)
Advertising and marketing expenses		(6,076,286)	(6,942,669)
Cost of goods sold		(550,382)	-
Employment related expenses	6	(11,192,098)	(11,684,153)
Premises and infrastructure expenses		(1,310,814)	(1,771,878)
Offline production costs		(23,396)	(87,468)
Depreciation and amortisation expense	6	(3,505,978)	(2,483,456)
Operating loss		(10,243,143)	(13,795,231)
Interest income	5	101,364	284,461
Interest expense	6	(440,971)	(17,500)
Loss before tax		(10,582,750)	(13,528,270)
Income tax expense	7	(203,807)	(78,183)
Loss after income tax expense for the year attributable to the owners of iCar Asia Limited and Controlled Entities	21	(10,786,557)	(13,606,453)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		1,365,156	2,641,514
Items that may not be reclassified subsequently to profit or loss			
Remeasurements of employee defined benefit		82,265	36,472
Other comprehensive income for the year, net of tax		1,447,421	2,677,986
Total comprehensive income for the year attributable to the owners of iCar Asia Limited and Controlled Entities		(9,339,136)	(10,928,468)
Earnings Per Share		**Cents**	**Cents**
Basic loss per share	33	(2.65)	(3.57)
Diluted loss per share	33	(2.65)	(3.57)

[1]The reported numbers in 2018 is not adjusted for AASB 16.

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

iCar Asia Limited and Controlled Entities
Consolidated Statement of Financial Position
For the year ended 31 December 2019

	Note	Consolidated 31 Dec 2019 $	Consolidated 31 Dec 2018[1] $
Assets			
Current assets			
Cash and cash equivalents	8	6,833,304	9,531,721
Trade and other receivables and contract assets	9	1,249,544	1,387,490
Other assets	10	3,303,142	2,611,232
Total current assets		**11,385,990**	**13,530,443**
Non-current assets			
Property, plant and equipment	11	708,359	658,976
Right-of-use assets	12	1,048,542	-
Intangibles	13	9,540,954	9,449,734
Goodwill	13	25,493,500	19,656,770
Other non-current assets		83,314	27,491
Total non-current assets		**36,874,669**	**29,792,971**
Total assets		**48,260,659**	**43,323,414**
Liabilities			
Current liabilities			
Trade and other payables	14	3,886,286	2,790,650
Contract liabilities	4	1,838,120	1,307,912
Lease liabilities	12	513,255	-
Provisions	15	1,301,780	1,786,672
Other current liabilities	16	2,396,989	-
Total current liabilities		**9,936,430**	**5,885,234**
Non-current liabilities			
Provisions	17	743,149	416,677
Lease liabilities	12	490,823	-
Total non-current liabilities		**1,233,972**	**416,677**
Total liabilities		**11,170,402**	**6,301,911**
Net assets		**37,090,257**	**37,021,503**
Equity			
Issued capital	19	132,051,813	123,656,458
Reserves	20	(4,368,880)	(6,792,364)
Accumulated losses	21	(90,592,676)	(79,842,591)
Total equity		**37,090,257**	**37,021,503**

[1]The reported numbers in 2018 is not adjusted for AASB 16.

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

iCar Asia Limited and Controlled Entities
Consolidated Statement of Changes in Equity
For the year ended 31 December 2019

	Issued capital	Foreign currency translation and Other reserve	Equity reserve	Share based payment reserve	Accumulated losses	Total equity
	$	$	$	$	$	$
Balance at 1 January 2019 (restated)	123,656,458	2,324,146	(10,965,292)	1,848,782	(79,888,384)	36,975,710
Loss after income tax expense for the period	-	-	-	-	(10,786,557)	(10,786,557)
Other comprehensive income for the period, net of tax	-	1,365,156	-	-	82,265	1,447,421
Total comprehensive income for the period	-	1,365,156	-	-	(10,704,292)	(9,339,137)
Transactions with owners in their capacity as owners						
41,768,763 shares issued during the period	8,435,065	-	-	(760,603)	-	7,674,462
Transaction costs (net of tax)	(39,710)	-	-	-	-	(39,710)
Share to be issued in lieu of directors' remuneration	-	-	-	275,000	-	275,000
Executive variable remuneration	-	-	-	1,135,931	-	1,135,931
Options for loan facility	-	-	-	408,000	-	408,000
Balance at 31 December 2019	**132,051,813**	**3,689,302**	**(10,965,292)**	**2,907,110**	**(90,592,676)**	**37,090,257**

	Issued capital	Foreign currency translation reserve	Equity reserve	Share based payment reserve	Accumulated losses	Total equity
	$	$	$	$	$	$
Balance at 1 January 2018	122,493,347	(317,368)	(10,965,292)	1,478,417	(66,272,610)	46,416,494
Loss after income tax expense for the period	-	-	-	-	(13,606,453)	(13,606,453)
Other comprehensive income for the period, net of tax	-	2,641,514	-	-	36,472	2,677,986
Total comprehensive income for the period	-	2,641,514	-	-	(13,569,981)	(10,928,468)
Transactions with owners in their capacity as owners						
30,145,692 shares issued during the period	1,200,741			(905,640)		295,101
Transaction costs (net of tax)	(37,630)					(37,630)
Share to be issued in lieu of directors' remuneration				275,000		275,000
Executive variable remuneration				1,001,005		1,001,005
Balance at 31 December 2018	**123,656,458**	**2,324,146**	**(10,965,292)**	**1,848,782**	**(79,842,591)**	**37,021,503**

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

iCar Asia Limited and Controlled Entities
Consolidated Statement of Changes in Cash Flows
For the year ended 31 December 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Cash flows from operating activities			
Receipts from customers		16,074,874	12,594,587
Payments to suppliers and employees		(22,463,624)	(24,314,576)
Income tax paid		(130,404)	(83,120)
		(6,519,154)	(11,803,109)
Interest received		107,810	333,299
Interest paid		(147,695)	-
Net cash used in operating activities	32	(6,559,039)	(11,469,810)
Cash flows from investing activities			
Payments for property, plant and equipment		(104,811)	(262,971)
Payments for intangibles		(857,395)	(456,201)
Payments for purchase of subsidiaries, net of cash acquired	18	(2,165,597)	-
Net cash used in investing activities		(3,127,803)	(719,172)
Cash flows from financing activities			
Proceeds from options exercised		7,675,275	295,101
Share issue transaction costs		(33,320)	(51,693)
Payment of principal portion of lease liabilities		(653,530)	-
Net cash provided by financing activities		6,988,425	243,408
Net decrease in cash and cash equivalents		(2,698,417)	(11,945,574)
Cash and cash equivalents at the beginning of the period		9,531,721	21,477,295
Cash, cash equivalents and investments at the end of the year	8	**6,833,304**	**9,531,721**

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

1. Corporate information

The consolidated financial statements of iCar Asia Limited and its subsidiaries (collectively, the 'Group') for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of Directors made on 24 February 2020. The Directors have the power to amend and reissue the financial report.

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

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

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

All amounts are presented in Australian dollars and are rounded to the nearest dollar unless otherwise stated.

Going concern basis of accounting

The consolidated financial statements have been prepared on a going concern basis. The Group has incurred a loss after tax of $10,786,557 in the current financial year (2018: $13,606,453 loss). The Group has an available cash balance of $6,833,304 (2018: $9,531,721) and net assets of $37,164,418 (2018: $37,021,503) at 31 December 2019. Management and the Directors believe there are reasonable grounds to consider the Group will continue as a going concern based on the Group's trading and cash flow forecasts.

2.2 Compliance with International Financial Reporting Standards (IFRS)

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

2. Summary of significant accounting policies (continued)

2.3 Changes in accounting policies, disclosures, standards and interpretations

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

The Group applied, for the first time, certain standards and amendments which are effective for annual periods beginning on or after 1 January 2019.The nature and the impact of each new standard and/or amendment is described below:

Adoption of AASB 16 Leases ('AASB 16')

AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

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

Lessor accounting is substantially unchanged from lease accounting under AASB 117 other than in respect of subleases, for which lease classification is performed by reference to the head lease right-of-use asset rather than for underlying asset. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The Group's leasing activities and how these are accounted for:

The Group leases offices, warehouse and office equipment. Rental contracts are typically for period of 1 to 4 years.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Following transition lease payments are discounted using the lessee's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct cost

2. Summary of significant accounting policies (continued)

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

Adoption of AASB 16 Leases ('AASB 16') (continued)

- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, it if is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of two to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew the rental. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in management decision that is within its control and affects its ability to exercise the option to renew.

The Group has recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The rate applied to the lease liabilities on 1 January 2019 for Malaysia, Thailand and Indonesia was 12%. The associated right-of-use assets for property leases were measured on a modified retrospective basis as if AASB 16 had always been applied. The Group applied the practical expedient to rely on its assessment that there were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application and not to separate lease and non-lease components.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

2. Summary of significant accounting policies (continued)

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

Adoption of AASB 16 Leases ('AASB 16') (continued)

The Group leases offices, warehouse and office equipment. Rental contracts are typically for period of 1 to 4 years.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

	$
Operating lease commitments as at 1 January 2019	1,111,220
Weighted average incremental borrowing rate as at 1 January 2019	12%
Operating lease commitments as at 1 January 2019	962,151
Less:	
Commitments relating to short-term leases	(20,879)
Add:	
Optional extension periods not included in lease commitments as at 31 December 2018	436,910
Operating lease commitments as at 1 January 2019	1,378,182

Impact on the statement of financial position as at 1 January 2019:

	$
Right-of-use assets	1,297,629
Accumulated losses	80,553
Lease liabilities	(1,378,182)

Adoption of AASB Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 12 Income Taxes ('AASB 112') and does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Group determined, based on its tax compliance and transfer pricing study that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The interpretation did not have an impact on the consolidated financial statements of the Group.

2. Summary of significant accounting policies (continued)

2.3 Changes in accounting policies, disclosures, standards and interpretations

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

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. It is arranged in eight chapters, as follows:

► Chapter 1 – The objective of financial reporting
► Chapter 2 – Qualitative characteristics of useful financial information
► Chapter 3 – Financial statements and the reporting entity
► Chapter 4 – The elements of financial statements
► Chapter 5 – Recognition and derecognition
► Chapter 6 – Measurement
► Chapter 7 – Presentation and disclosure
► Chapter 8 – Concepts of capital and capital maintenance

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

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

AASB 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.

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

AASB 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 Group does not expect this standard will have an impact on the Group financial report however it will continue to assess this.

2. Summary of significant accounting policies (continued)

2.4 Significant accounting policies

a) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of the Group at 31 December 2019 and the results for the year then ended.

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

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

The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

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

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

b) Current versus non-current classification

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

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

Or

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

All other assets are classified as non-current.

b) Current versus non-current classification (continued)

A liability is current when:

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

Or

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

The Group classifies all other liabilities as non-current.

c) Business combinations

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

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

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

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

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

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

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

2. Summary of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

d) Foreign currency translation

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

Foreign currency transactions

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

Foreign operations

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

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

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

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

e) Revenue from contracts with customers

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

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

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

2. Summary of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

e) Revenue from contracts with customers (continued)

Used Car

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

Auction Commissions
Customers (car sellers) list cars for sale by way of buyer auction facilitated by iCar's websites. For facilitating the auction on our websites, iCar earns an auction commission from the car seller based on a percentage of the sale price of the car, when the car is sold. The commissions are included in receipts from customers in the statement of changes in cash flows and therefore excludes the the gross amount paid / received [as the case may be] for the vehicle.

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

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

New Car

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

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

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

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

2. Summary of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

e) Revenue from contracts with customers (continued)

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

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

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

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

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

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

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

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

2. Summary of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

f) Taxes

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

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

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

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

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

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

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

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

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

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

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

2. Summary of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

g) Property, plant and equipment

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

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

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

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

The useful lives are unchanged from the prior reporting period.

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

h) Leases

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

Group as a lessee(comparative year)
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance lease are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

Group as lessee AASB 16 (Applicable 1 January 2019)
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. Summary of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

h) Leases (continued)

At the commencement date of a lease, the Group recognises a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

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

i) Intangible assets

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

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

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

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

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

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

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

2. Summary of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

i) Intangible assets (continued)

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

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

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

j) Impairment of non-financial assets

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

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

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

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

k) Cash and cash equivalents

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

2. Summary of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

l) Financial instruments - initial recognition and subsequent measurement

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

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

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

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

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

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)
The Group measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

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

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:
- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

2. Summary of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

2. Summary of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

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

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

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

m) Finance costs

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

n) Provisions

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

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

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

o) Employee benefits

Wages and salaries, annual leave and long service leave

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

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed when incurred.

2.4 Significant accounting policies (continued)

o) Employee benefits (continued)

Defined benefit pension plan

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

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

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

Share-based payments

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

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

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

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

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

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

p) Issued capital

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

q) Earnings per share

Basic earnings per share

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

2. Summary of significant accounting policies (continued)

2.4 Significant accounting policies (continued)

q) Earnings per share

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

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

3. Critical accounting judgements, estimates and assumptions

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

Revenue from contracts with customers

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

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

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

Provision for expected credit losses of trade receivables and contract assets

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

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

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)

Estimation of useful lives of assets

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

Goodwill and other indefinite life intangible assets

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

Development costs

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

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. See note 32 Share-based payments for further details.

Defined benefit pension plan

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

The Group measures defined benefit obligation on a basis that reflects estimated future salary increase that affect the benefits payable. Generally, the future salary incremental rate is determined based on the followin inflation ranging from 9%- 10%. Discount rate is used to determine the present value of defined benefit obligation at valuation date. The discount rate is determined based on the Indonesian Government Bond Spot Rate at the end of reporting period in accordance with the estimated maturity of post-employment benefits obligations for the remaining of the working period of each employee.

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

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

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

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

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

Leases - Estimating the incremental borrowing rate

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

4. Revenue

A. Disaggregation of revenue

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

	2019	2018
	$	$
Segments		
Type of service		
Used Cars	9,029,350	6,745,414
New Cars	5,811,948	4,810,530
Total revenue from contracts with customers	14,841,298	11,555,944
Geographical markets		
Malaysia	7,473,635	5,340,716
Thailand	5,426,598	5,069,584
Indonesia	1,941,065	1,145,644
Total revenue from contracts with customers	14,841,298	11,555,944
Timing of revenue recognition		
Services transferred at a point in time:		
Used Cars	6,518,039	4,838,807
New Cars	650,038	617,078
Services transferred over time:		
Used Cars	2,511,312	1,906,607
New Cars	5,161,909	4,193,452
Total revenue from contracts with customers	14,841,298	11,555,944

B. Contract balances

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

	Consolidated	
	2019	2018
	$	$
Trade and receivables (Note 9)	1,069,878	1,063,499
Contract assets	197,808	363,694
Contract liabilities	1,838,120	1,307,912

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

4. Revenue (continued)

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

Contract liabilities are upfront payments from customer for subscriptions and depth credits, both in the used car and new car market segments. The outstanding balances of these accounts increased in 2019 due to the continuous increase in the Group's customer base, growth in the New Car segment and price increases for both subscriptions and depth credits. Contract liabilities recorded as at 31 December 2018 has been recognised as revenue in full in the current year ($1,307,912).

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

C. Performance obligations

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

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

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

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

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

Carsentro
- (a) Registration Fee - Used Car Dealers pay a Registration Fee annually per lot they rent as their commitment to join Carsentro.
- (b) Maintenance Fee - Used Car Dealers pay for monthly Maintenance Fee, based on how many lots they rent in Carsentro. The maintenance fee is to cover operational (ie. electricity, security etc) and marketing activities (ie. banner, name card, etc)
- (c) Rental Fee – Used Car Dealers pay a monthly rental fee, based on how many lots they rent in Carsentro.
- (d) Dealer Penalty - Used Car Dealers have a monthly target to give loan application to Carsentro leasing partner. They will need to pay penalty if they don't achieve the target.
- (e) Leasing Partner Sponsorship – Carsentro Leasing Partner pay sponsorship upfront on every new period as their commitment. The sponsorship is divided into:
  - Fixed – The Fixed amount leasing partner pay in order to support marketing activities (not returnable)
  - Variable – The amount that leasing partner pay based on target given to Carsentro. At the end of period, the achievement will be calculated and if the target is not achieved, the sponsorship will need to return proportionally.
- *(f)* Leasing Partner Loan Commission – The commission that Leasing Partner pay to Carsentro monthly based on the achievement of target given to Carsentro.

4. Revenue (continued)

New Car

New Car Dealers

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

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

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

5. Segment information

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

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

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

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

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

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

5. Segment information (continued)

Consolidated - 2019	Malaysia $	Indonesia $	Thailand $	Unallocated $	Total $
Revenue					
Revenues from external customers	7,473,635	1,941,065	5,426,598	-	14,841,298
Cost of Sales	(550,382)				(550,382)
Operating expenses	(5,368,528)	(3,328,728)	(5,246,194)	(7,084,631)	(21,028,081)
Profit/ (loss) before Interest, tax, depreciation and amortisation	1,554,725	(1,387,663)	180,404	(7,084,631)	(6,737,165)
Depreciation and amortisation	(240,303)	(175,613)	(596,297)	(2,493,765)	(3,505,978)
Interest income	15,875	452	149	84,888	101,364
Interest expense	(23,782)	(40,322)	(78,520)	(298,347)	(440,971)
Profit/(loss) before income tax expense	1,306,515	(1,603,146)	(494,264)	(9,791,855)	(10,582,750)
Income tax expense	-	-	-	(203,807)	(203,807)
Profit/(loss after income tax expense					(10,786,557)
Assets					
Segment assets	5,134,184	8,169,876	24,875,284	10,081,315	48,260,659
Total assets					48,260,659
Non-current assets[1]	2,316,031	4,884,955	23,405,064	6,268,619	36,874,669
Liabilities					
Segment liabilities	2,001,523	4,455,789	2,109,450	2,603,640	11,170,402
Total liabilities					11,170,402

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

5. Segment information (continued)

Consolidated - 2018	Malaysia $	Indonesia $	Thailand $	Unallocated $	Total $
Revenue					
Revenues from external customers	5,340,716	1,145,644	5,069,584	-	11,555,944
Operating expenses	(5,646,496)	(4,584,468)	(5,641,657)	(6,995,098)	(22,867,719)
Loss before Interest, tax, depreciation and amortisation	(305,780)	(3,438,824)	(572,073)	(6,995,098)	(11,311,775)
Depreciation and amortisation	(107,169)	(57,657)	(408,269)	(1,910,361)	(2,483,456)
Interest income	7,608	314	150	276,389	284,461
Interest expense	-	-	-	(17,500)	(17,500)
Loss before income tax expense	(405,341)	(3,496,167)	(980,192)	(8,646,570)	(13,528,270)
Income tax expense	-	-	-	(78,183)	(78,183)
Loss after income tax expense					(13,606,453)
Assets					
Segment assets	3,770,054	2,329,103	23,063,212	14,161,045	43,323,413
Total assets					43,323,413
Non-current assets[1]	2,077,073	130,384	21,516,464	6,069,049	29,792,970
Liabilities					
Segment liabilities	1,692,954	1,808,963	1,776,843	1,023,151	6,301,911
Total liabilities					6,301,911

[1] Carrying amount of non-current assets excludes financial instrument assets, deferred tax assets and defined benefit assets, of which the Group has none. The non-current assets are not restated for AASB 16.

6. Expenses

	Consolidated 2019 $	Consolidated 2018 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	90,626	71,221
Plant and equipment	233,720	221,821
Fixtures and fittings	19,503	16,106
Right of use assets	607,370	-
Total depreciation	951,219	309,148
Amortisation		
Websites, domain names, trademarks and other intangibles	2,554,759	2,174,308
Total depreciation, amortisation and impairment	3,505,978	2,483,456
Finance costs		
Interest - amortisation of options	217,600	-
Interest - commitment fee	61,667	17,500
Interest expense on lease liabilities	161,704	-
Total finance costs	440,971	17,500
Employment and related expenses		
Salaries and wages	7,593,905	7,131,687
Super and pension related	909,246	820,967
Commissions	567,030	1,286,179
Other employment benefits	756,067	675,326
Share based payments - equity settled	1,225,911	1,276,005
Incentives/Bonus	139,939	493,989
Total employment and related expenses	11,192,098	11,684,153

There are currently 413 full-time equivalent employees (2018: 403).

7. Income tax expense

Income tax recognised in profit or loss

	Consolidated	
	2019	2018
	$	$
Current tax		
Current tax expense in respect of the current year	145,794	83,640
Under/(Over) provision of prior year tax	58,013	(5,456)
	203,807	78,184
Deferred tax		
Deferred tax expense recognised in the current year	-	-
Total income tax expense/(benefit) recognised in the current year	203,807	78,184
The income tax expense for the year can be reconciled to the accounting loss a		
Loss before tax from operations	(10,582,750)	(13,528,270)
Income tax expense calculated at 30% (2018: 30%)	(3,174,825)	(4,058,481)
Effect of different tax rates of subsidiaries operating in other jurisdictions	539,473	654,299
Deductible costs relating to share issue expenses	(132,954)	(195,673)
Effect of unused tax losses and tax offsets not recognised as deferred tax asse	2,972,113	3,678,039
	203,807	78,184
Unrecognised deferred tax asset	13,704,959	11,569,674

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

8. Current assets - cash, cash equivalents and investments

	Consolidated	
	2019	2018
	$	$
Cash at bank	4,285,476	2,426,352
Cash on deposit	2,547,828	7,105,369
Cash and cash equivalents	6,833,304	9,531,721

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

	Consolidated 2019 $	Consolidated 2018 $
Trade receivables	1,069,878	1,063,499
Contract assets	197,808	363,694
Accrued interest	992	16,556
	1,268,678	1,443,750
Allowance for expected credit losses	(19,134)	(56,259)
	1,249,544	1,387,490

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

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

As at 31 December 2019, the Group has trade receivables of $1,069,878 (2018: $1,063,499) which is net of an allowance for expected credit losses of $19,134 after writtng off bad debt amounting to $43,604 (2018: $56,259).

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

	$
As at 1 January 2018	56,259
Provision for expected credit losses	-
Write-off	-
At 31 December 2018	56,259
Provision for expected credit losses-fx movement	6,479
Write-off	(43,604)
At 31 December 2019	19,134

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

	Days past due				
Trade Receivables	**<30 days**	**30-60 days**	**61-90 days**	**> 91 cays**	**Total**
At 31 December 2019	613,593	250,133	62,085	144,067	1,069,878
At 31 December 2018	720,660	164,337	50,638	127,865	1,063,499

As at 31 December, the ageing analysis of contract assets is, as follows:

		Days past due				
Contract assets	**Current**	**<30 days**	**30-60 days**	**61-90 days**	**> 91 days**	**Total**
At 31 December 2019	136,277	17,936	4,403	1,288	37,904	197,808
At 31 December 2018	250,518	24,325	-	4,974	83,878	363,694

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

10. Current assets – other

	Consolidated 2019 $	Consolidated 2018 $
Prepayments	972,816	699,894
Other deposits	219,448	247,537
Other receivables	1,974,878	1,663,801
Deferred Expense for Catcha Options	136,000	-
	3,303,142	2,611,232

Other receivables relates to GST, VAT, deferred expense, withholding tax and other receivables.

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

	Consolidated 2019 $	Consolidated 2018 $
Leasehold improvements - at cost	816,315	585,529
Less: Accumulated depreciation and impairment	(429,620)	(392,340)
	386,695	193,189
Plant and equipment - at cost	2,378,657	2,158,952
Less: Accumulated depreciation and impairment	(2,087,247)	(1,737,067)
	291,410	421,885
Furniture and fittings - at cost	166,766	141,084
Less: Accumulated depreciation and impairment	(136,512)	(97,182)
	30,254	43,902
	708,359	658,976

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

Reconciliations

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

	Leasehold improvements $	Plant and equipment $	Furniture and fittings $	Total $
Consolidated				
Balance at 1 January 2018	238,905	396,822	40,259	675,986
Additions	4,049	242,099	16,823	262,971
Exchange differences	21,456	4,785	2,926	29,167
Depreciation expense	(71,221)	(221,821)	(16,106)	(309,148)
Balance at 31 December 2018	193,189	421,885	43,902	658,976
Additions	5,953	79,805	3,678	89,436
Acquired from PT Car Classifieds Indonesia	251,193	-	-	251,193
Exchange differences	26,986	23,440	2,177	52,603
Depreciation expense	(74,832)	(230,562)	(17,577)	(322,971)
Depreciation expense- PT Car Classifieds Indonesia	(15,794)	(3,158)	(1,926)	(20,878)
Balance at 31 December 2019	386,695	291,410	30,254	708,359

12. Leases

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

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

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

Lease Liabilities	**Total**
As at 1 January 2019	1,111,219
Addition due to acquisition	147,695
Interest expense on lease liabilities	161,704
Payments	(653,530)
Foreign currency translation difference	236,990
As at 31 December 2019	1,004,078
Current Liabilities	**513,255**
Non Current Liabilities	**490,823**

In addition to the depreciation expense and interest expense disclosed above, the Group recognised rent expense from short-term leases of $24,308 and leases of low-value assets of $28,943 for the year ended 31 December 2019. The total amount recognised in profit or loss is $822,325.

The Group had total cash outflows for leases of $706,681 in 2019.

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

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Within 3 years	**Between 3 to 6 years**	**Total**
Extension options not reasonably certain to be exercised		436,910	436,910

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

13. Non-current assets- Intangibles and Goodwill

	Consolidated 2019 $	2018 $
Goodwill - at cost	25,493,500	19,656,770
Other intangible assets - at cost	24,016,564	17,492,302
Less: Accumulated amortisation	(14,475,610)	(8,042,568)
	9,540,954	9,449,734
	35,034,455	29,106,504

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

	Goodwill $	Other intangibles acquired $	Other intangibles Internally generated $	Total $
Consolidated				
Balance at 1 January 2018	17,675,289	3,399,254	5,060,668	26,135,211
Additions	-	-	2,165,661	2,165,661
Exchange differences	1,981,481	359,105	639,354	2,979,940
Amortisation expense	-	(318,881)	(1,855,427)	(2,174,308)
Balance at 31 December 2018	19,656,770	3,439,478	6,010,256	29,106,504
Additions		-	2,255,428	2,255,428
Additions from business combinations	4,268,834			4,268,834
Exchange differences	1,567,897	226,851	163,700	1,958,448
Amortisation expense	-	(310,501)	(2,244,257)	(2,554,759)
Balance at 31 December 2019	25,493,501	3,355,828	6,185,127	35,034,455

Goodwill of $19,291,063 (2018: $17,753,928) and intangible assets with indefinite useful lives of $2,781,556 (2018: $2,559,918) are allocated to the Thailand cash generating unit ('CGU') after adjusting for foreign exchange rates at the balance sheet date.

Goodwill of $1,933,604 (2018: $1,902,842) is allocated to the Malaysian CGU after adjusting for foreign exchange rates at the balance sheet date.

Goodwill of $4,268,834 is allocated to the PT Car Classifieds Indonesia CGU after adjusting for foreign exchange rates at the balance sheet date. The acquisition date fair value is provisional.

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

Other intangible assets:

	Consolidated	
	2019	2018
	$	$
Autospinn.com website (Thailand)	289,244	354,929
One2Car.com brand (Thailand)	2,781,556	2,559,918
One2Car.com customer base (Thailand)	285,028	524,632
Intangibles- Customer Relationship Management Platform	2,090,658	2,478,679
Intangibles-Websites and App development	3,998,412	3,437,191
Intangibles-Other	96,056	94,385
	9,540,954	9,449,734

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 2018.

Impairment testing of goodwill and indefinite life intangibles

The Group performed its annual impairment test at 31 December 2019. The Group considers the relationship between its market capitalisation and its book value, among other factors, when assessing for indicators of impairment. As at 31 December 2019, the market capitalisation of the Group was higher than the book value of its equity.

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 of 3% -5%per annum. 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').

The 5 year Group cash flows assume that revenues rise significantly year on year due to increased penetration of the used and new car market, the continued migration of advertising monies to from offline to online and a strong ASEAN automotive advertising market. Long term growth rates are set by country reflecting relative long-term GDP growth, consequent rise in car ownership and iCar's market leading positions.

Management have determined the appropriate WACC discount rate and long term growth rates ('LTGR') for each of the CGUs as follows:

	WACC rate	Long term growth rates
Malaysia	14.2% (2018: 14.2%)	3% (2018: 3%)
Thailand	13.2% (2018: 13.2%)	3% (2018: 3%)
PT Car Classifieds Indonesia	16.8%	3%

The CGU's are equivalent to the reportable segments.

The Malaysian CGU includes the exploitation of Carlist.my and Live Life Drive assets. The Thailand CGU includes the exploitation of the One2Car, Thaicar and Autospinn assets. The PT Car Classifieds Indonesia CGU includes Carmudi assets.

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

Malaysia CGU

The Group used the CGU's value in use to determine the recoverable amount, which exceeded the carrying amount. The projected cash flows were updated to reflect the 5 year plan assumptions and a pre-tax discount rate of 14.2% (2018: 14.2%) was applied. A long term growth rate of 3% (2018: 3%) was used to extrapolate year 5 cash flows. Management have prepared scenarios to consider the effect of changes in growth rates, discount rate and terminal growth rates.

The recoverable amount of the Malaysian CGU is greater than the carrying value as at 31 December 2019. 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.

No reasonable possible changes in assumptions that would result in an impairment were identified by management.

Thailand CGU

The Group used the CGU's value-in-use valuation to determine the recoverable amount, which exceeded the carrying amount. The projected cash flows were updated to reflect the 5 year plan assumptions and a pre-tax discount rate of 13.2% (2018: 13.2%) was applied. A long term growth rate of 3% (2018: 3%) was used to extrapolate year 5 cash flows. Management have prepared scenarios to consider the effect of changes in growth rates, discount rate and terminal multiples.

The recoverable amount of the Thailand CGU is greater than the carrying value as at 31 December 2019 by $32,669,000. 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.

The recoverable amount of the Thailand CGU was tested for sensitivity using reasonably possible changes in key assumptions. If in isolation the revenue growth rate decreased by 8% per annum over the 5 year forecast period then the recoverable amount would be equal to the carrying amount of the Thailand CGU at 31 December 2019. No other reasonable 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 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. Management have prepared scenarios to consider the effect of changes in growth rates, discount rate and terminal multiples.

The recoverable amount of the PTCCI CGU is greater than the carrying value as at 31 December 2019. 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.

No reasonable possible changes in assumptions that would result in an impairment were identified by management.

14. Current liabilities - trade and other payables

	Consolidated	
	2019	2018
	$	$
Trade payables and accruals	3,886,286	2,790,650

Refer to note 24 for further information on financial instruments.

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

15. Current liabilities – provisions

	Consolidated	
	2019	2018
	$	$
Employee benefits	127,338	157,107
Staff incentives and bonuses	762,763	1,357,670
Other	411,679	271,895
	1,301,780	1,786,672

The employee benefits category is composed of the compensated annual leave provision for the year. The 2019 carried forward balance is expected to be utilised by March 2020 in line with company leave policies.

The staff incentives and bonuses provision is expected to be paid to employees by the end of March 2020.

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

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

	Employee Benefits	Staff incentives & bonuses	Other
	$	$	$
Consolidated - 2019			
Carrying amount at the start of the year	157,107	1,357,670	271,895
Additional provisions recognised / foreign exchange differences	104,595	576,521	92,750
Amounts (used) / reversed	(134,364)	(1,171,428)	47,034
Carrying amount at the end of the year	127,338	762,763	411,679

16. Other Current liabilities

	Consolidated 2019 $	Consolidated 2018 $
Indirect Taxes	832,401	-
Deferred Consideration PT Car Classifieds Indonesia	1,564,588	-
	2,396,989	-

The deferred consideration relates to the acquisition of PT Car Classifieds Indonesia (Carmudi). The amount is due within 12 months of balance sheet date.

17. Non-current liabilities – Provisions

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

Net employee defined benefit liabilities

	Consolidated 2019 $	Consolidated 2018 $
Indonesian pension plan- PT Mobil Satu Asia	511,488	416,677
Indonesian pension plan- PT Car Classifieds Indonesia	231,661	-
Net employee defined benefit liabilities	743,149	416,677

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

Net benefit expense (recognised in profit or loss)

	Consolidated 2019 $	Consolidated 2018 $
Current service cost	348,659	109,665
Interest cost on net benefit obligation	37,762	20,907
Net benefit expense	386,421	130,572

17. Non-current liabilities – Provisions (continued)

Changes in the present value of the defined benefit obligation

	$
Defined benefit obligation at 1 January 2018	308,672
Interest cost	21,193
Current service cost	109,665
Benefits paid	-
Remeasurement gains/(losses)*	(36,472)
Exchange differences	13,619
Defined benefit obligation at 31 December 2018	416,677
Interest cost	38,511
Current service cost	348,659
Benefits paid	-
Remeasurement gains/(losses)*	(82,265)
Exchange differences	21,567
Defined benefit obligation at 31 December 2019	743,149

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

Principal assumptions in determining pension obligations

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

	2019	2018
Discount rate (%)	8.19%	8.77%
Future salary increase (%)	9.00- 9.25%	10.00%
Pension age (years)	55 years	55 ydars
Mortality rate	TMI (2011)	TMI (2011)
Disability rate	10% from mortality rate	10% from mortality rate

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

	Impact on defined present value of benefit obligation	
	2019 $	2018 $
Discount rate		
1% increase	641,064	363,206
1% decrease	877,685	492,136
Future salary cost increase		
1% increase	877,558	492,498
1% decrease	638,976	361,699

17. Non-current liabilities – Provisions (continued)

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

The Group recognises remeasurement gains and losses arising on defined benefit pension plans in OCI in accordance with AASB 119 Employee Benefits. As they will never be reclassified into profit or loss, they are immediately recorded in retained earnings, amounting to $82,625.

18. Business combinations

Acquisition of Carmudi Indonesia

On 11 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 which is provisional.

The net identifiable assets acquired are still provisional in light of the timing of the transaction. The acquisition accounting will be finalised within 12 months of the acquisition date, in line with accounting standards.

	Fair value recognised on acquisition $
Assets	
Property, plant and equipment	273,812
Rights of Use Assets	149,758
Cash and cash equivalents	121,020
Trade and other receivables and contract assets	632,616
Other assets	522,752
	1,699,958
Liabilities	
Trade and other payables	824,118
Contract liabilities	239,820
Other current liabilities	844,664
	1,908,602
Non Current Liabilities	
Non Current Lease Liabilities	139,331
Other Non Current Liabilities	215,351
Total identifiable net assets at fair value	**(563,326)**
Goodwill arising on acquisition	4,268,834
FX movement	57,298
Purchase consideration transferred	**3,762,806**

18. Business combinations (continued)

The fair value of the trade receivables amounts to $478,210. The gross amount of trade receivables is $478,210 and it is expected that the full contractual amounts can be collected. The acquisition related costs amount to $87,693 and are included in administration and related expenses in the Statement of Comprehensive Income.

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

The goodwill acquired is attributable to Carmudi's strong position in its market and the high growth potential of that market. Goodwill is not deductible for tax purposes.

The goodwill of $4,268,834 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the business operations. None of the goodwill recognised is expected to be deductible for income tax purpose.

From the date of acquisition, Carmudi contributed $217,966 of revenue and incurred $62,577 loss before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been $16,733,861 and loss before tax from continuing operations for the Group would have been $13,092,386.

	$
Purchase consideration	
Cash paid	2,286,617
Deferred cash payment	1,476,189
Total purchase consideration	3,762,806
Analysis of cash flows on acquisitions:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	121,020
Cash paid	(2,286,617)
Net cash outflow on acquisition	(2,165,597)

Reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period is presented below:

	Goodwill **$**
Gross carrying amount	
At 1 January 2019	
Acquisition of a PT Car Classifieds Indonesia	4,326,132
Foreign currency translation	(57,298)
At 31 December 2019	4,268,834

19. Equity - issued capital

	Consolidated		Consolidated	
	2019 Shares	2018 Shares	2019 $	2018 $
Ordinary shares - fully paid	424,429,921	382,661,158	132,051,813	123,656,458

Movements in ordinary share capital

Details	Date	No of shares	$
Balance	31 December 2017	377,776,239	122,493,348
Issue of shares - Share options	12 January 2018	197	39
Issue of shares - Share options	23 January 2018	17,241	3,448
Issue of shares - Share options	29 January 2018	1,724	345
Issue of shares - Share options	12 February 2018	14,724	2,945
Issue of shares - Share options	13 March 2018	143,103	28,621
Issue of shares - Share options	14 March 2018	1,223,101	244,620
Issue of shares - Share options	20 March 2018	5,862	1,172
Issue of shares - Share options	10 April 2018	948	190
Issue of shares - Share options	16 April 2018	8,620	1,724
Issue of shares - Share options	18 April 2018	2,692	538
Issue of shares - STI/LTI to employees	21 May 2018	2,158,894	603,740
Issue of shares - Directors remuneration 2017 year	25 June 2018	1,220,521	295,000
Issue of shares - Staff pool	25 June 2018	30,000	6,900
Issue of shares - Share options	18 August 2018	51,724	10,345
Issue of shares - Share options	28 August 2018	1,379	276
Issue of shares - Share options	30 August 2018	4,189	838
Share issue costs			(37,630)
Balance	31 December 2018	382,661,158	123,656,458
Issue of shares - STI/LTI to employees	26 February 2019	1,714,938	394,589
Issue of shares - Share options	3 May 2019	1,206	241
Issue of shares - Share options	7 May 2019	2,518	504
Issue of shares - Share options	8 May 2019	2,068	414
Issue of shares - Share options	9 May 2019	25,090	5,018
Issue of shares - Share options	13 May 2019	14,500	2,900
Issue of shares - Share options	14 May 2019	39,064	7,813
Issue of shares - Share options	15 May 2019	87,437	17,487
Issue of shares - Share options	16 May 2019	222,138	44,428
Issue of shares - Share options	17 May 2019	126,821	25,364
Issue of shares - Share options	20 May 2019	118,778	23,756
Issue of shares - Share options	21 May 2019	853,071	170,614
Issue of shares - Share options	22 May 2019	34,626	6,925
Issue of shares - Share options	23 May 2019	43,899	8,780
Issue of shares - Share options	24 May 2019	781,825	156,365
Issue of shares - Share options	27 May 2019	160,203	32,041
Issue of shares - Share options	28 May 2019	160,279	32,056
Issue of shares - Share options	29 May 2019	421,593	84,319

19. Equity - issued capital (continued)

Details	Date	No of shares	$
Issue of shares - Share options	30 May 2019	58,216	11,643
Issue of shares - Share options	31 May 2019	366,380	73,276
Issue of shares - Share options	3 June 2019	104,311	20,862
Issue of shares - Share options	4 June 2019	153,791	30,758
Issue of shares - Share options	5 June 2019	32,288	6,458
Issue of shares - Directors remuneration 2018 year	5 June 2019	1,654,510	360,000
Issue of shares - Staff pool	5 June 2019	27,000	6,014
Issue of shares - Share options	6 June 2019	4,482	896
Issue of shares - Share options	7 June 2019	14,260,301	2,852,060
Issue of shares - Share options	11 June 2019	8,901,722	1,780,344
Issue of shares - Share options	12 June 2019	10,195,191	2,039,038
Issue of shares - Share options	13 June 2019	1,200,517	240,103
Share issue costs		-	(39,710)
	31 December 2019	424,429,921	132,052,503

Ordinary shares

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

Capital risk management

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

The Group's capital risk management policy remains unchanged from the 31 December 2018 Annual Report. The capital structure of the Group includes equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. The group operates in various countries, primarily through subsidiary companies established in the markets in which the group operates.

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

20. Equity – reserves

	Consolidated 2019 $	Consolidated 2018 $
Foreign currency translation reserve	3,689,302	2,324,146
Share-based payments reserve	2,907,110	1,848,782
Equity reserves	(10,965,292)	(10,965,292)
	(4,368,880)	(6,792,364)

20. Equity – reserves (continued)

	Foreign currency translation reserve $	Share-based payments reserve[1] $	Equity reserves[2] $	Total $
Consolidated				
Balance at 1 January 2018	(317,368)	1,478,417	(10,965,292)	(9,804,243)
Foreign currency translation	2,641,514	-		2,641,514
Shares issued during the year	-	(905,640)	-	(905,640)
Shares to be issued in lieu of directors remuneration	-	275,000	-	275,000
Executive variable remuneration	-	1,001,005	-	1,001,005
Balance at 31 December 2018	2,324,146	1,848,782	(10,965,292)	(6,792,364)
Foreign currency translation	1,365,156	-	-	1,365,156
Shares issued during the year	-	(760,604)	-	(760,604)
Shares to be issued in lieu of directors remuneration	-	275,000	-	275,000
Executive variable remuneration	-	1,543,932	-	1,543,932
Balance at 31 December 2019	3,689,302	2,907,110	(10,965,292)	(4,368,880)

[1]The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 34 for further details of these plans.
[2]Represents the excess paid for the acquisition of Auto Discounts Sdn Bhd (now iCar Asia Sdn Bhd) as a common control transaction using the pooling of interest method. This balance is not revalued and will not reverse in the future.

21. Equity - accumulated losses

	Consolidated 2019 $	2018 $
Accumulated	(79,806,118)	(66,236,138)
Loss after income tax expense for the year	(10,786,557)	(13,606,453)
Accumulated losses at the end of the financial year	(90,592,676)	(79,842,591)

22. Equity – dividends

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

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

23. 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 Group in favour of Catcha Group Pte Ltd under a General Security 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 (at exercise price of $0.20 per option).
- Draw down subject to the Group meeting certain cash flow and EBITDA thresholds.
- Customary financial and operational undertakings by the Company, including relating to reporting and maintenance of assets.

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

Shareholder approval was granted at the Company's 2018 Annual General Meeting on 25 May 2018. At 31 December 2019, the Facility remains undrawn.

During the current financial year, the Group has recognised interest charges of $61,666 for the commitment fee related to the Finance facility and options amortisation of $217,600. The accrued commitment fee remains unpaid at 31 December 2019.

24. Financial instruments

Financial risk management objectives

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

Market risk

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

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

24. Financial instruments (continued)

	2019		2018	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	$	%	$
Consolidated				
Cash at bank	1.16	6,833,304	1.81	9,531,721
Net exposure to cash flow interest rate risk		6,833,304		9,531,721

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

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

	Basis points increase			Basis points decrease		
Consolidated - 2018	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Cash at bank	50	73,945	-	50	(73,945)	-

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

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

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

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

24. Financial instruments (continued)

Consolidated - 2019	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables and		4,577,606	-	-	-	4,577,606
Lease liabilities		870,574	832,760	-	-	1,703,333
Deferred Consideration		1,564,588	-	-	-	1,564,588
Total non-derivatives		7,012,767	832,760	-	-	7,845,527

Consolidated - 2018	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables and		2,790,650	-	-	-	2,790,650
Total non-derivatives		2,790,650	-	-	-	2,790,650

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

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

Fair value of financial instruments

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

25. Key management personnel disclosures

Directors

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

Georg Chmiel	Executive Chairman
Patrick Grove	Non-executive
Lucas Elliott	Non-executive
Syed Khalil Ibrahim	Non-executive
Peter Everingham	Non-executive
Richard Kuo	Non-executive

25. Key management personnel disclosures (continued)

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

Hamish Stone	Chief Executive Officer
Yee Chin Beng	Chief Financial Officer
Kjetil Hellebo Rohde Jakobsen	Chief Information Officer (Appointed 17 September 2019)
Pedro Sttau	Chief Information Officer (Resigned 27 September 2019)
Jonathan Adams	Chief Marketing Officer

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

	Consolidated	
	2019	**2018**
	$	**$**
Short-term employee benefits	1,437,331	1,562,946
Share-based payments	1,191,740	1,234,024
	2,629,071	2,796,970

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

26. Remuneration of auditors

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

	Consolidated	
	2019	**2018**
	$	**$**
Category 1		
Fees to the group auditor for:		
(i) auditing the statutory financial report of the parent covering the group;	174,700	162,100
(ii) auditing the statutory financial reports of any controlled entities;	90,500	80,500
Category 4		
Fees for other services- tax compliance	4,517	49,980
	269,717	292,580

27. Contingent liabilities

There are various claims that arise in the ordinary course of business against the Group and its subsidiaries. The amounts of any liability (if any) at 31 December 2019 cannot be ascertained and the Group believes that any resulting liability would not materially affect the position of the group.

28. Related party transactions

Parent entity
iCar Asia Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 29.

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

Transactions with related parties

During the year the Group entered into partnership arrangement with Rev Asia Berhad and iflix, companies controlled by Patrick Grove and Lucas Elliot who are the Directors of iCar Asia Limited:
- $38,953 of partnership advertising services with Rev Asia Berhad
- $31,824 of partnership advertising services with iflix

During the year, the Group has recognised interest charges of $61,666 for the commitment fee related to the Finance facility from Catcha Group Pte Ltd (a major shareholder in iCar Asia Limited) and options amortisation of $217,600 Refer to Note 23 Financing facility for further details. The accrued commitment fee remains unpaid at 31 December 2019.

Director and director-related entities hold directly, indirectly or beneficially interests of 119,943,310 (2018: 113,307,082) in the ordinary shares of the company as at the reporting date. They also held 3,777,777 options (2018: 23,836,277).

Receivable from and payable to related parties
At 31 December 2019, there was a payable to Redbook (Automated Data Services Pty Ltd, an 100% subsidiary of carsales.com Ltd- a major shareholder in iCar Asia Limited at that time) for $1,300 in relation to services. The transaction was on normal commercial terms.

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

Loans to/from related parties
The Group has entered into a $5,000,000 loan facility with Catch Group Pte Ltd. Refer to Note 23 Financing facility for more information.

29. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2019	**2018**
	$	**$**
Loss after income tax	(2,543,341)	(59,880,142)
Total comprehensive income	(2,542,341)	(59,880,142)

Significant accounting policies

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

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

Statement of financial position

	Parent	
	2019	**2018**
	$	**$**
Total current assets	2,738,207	7,529,124
Total assets	66,223,155	58,959,293
Total current liabilities	1,955,889	822,687
Total liabilities	1,955,889	822,687
Net Assets	64,267,266	58,136,606
Equity		
Issued capital	132,462,357	124,066,313
Reserves	1,761,276	1,483,320
Accumulated losses	(69,956,367)	(67,413,027)
Total equity	64,267,266	58,136,606

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

30. Subsidiaries

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

Name of entity	Country of incorporation	Equity holding 2019 %	Equity holding 2018 %
iCar Asia Pte Ltd	Singapore	100	100
iCar Asia Management Services Sdn Bhd	Malaysia	100	100
Netyield Sdn Bhd	Malaysia	100	100
iCar Asia Sdn Bhd	Malaysia	100	100
PT Mobil Satu Asia	Indonesia	100	100
iCar Asia (Thailand) Limited *	Thailand	100	100
O2C Holdings (Thailand) Co. Ltd	Thailand	100	100
Perfect Scenery Ventures Limited	British Virgin Islands	100	100
One2Car Co., Ltd	Thailand	100	100
PT Car Classifieds Indonesia	Indonesia	100	-

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

31. Events after the reporting period

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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

	Consolidated	
	2019	**2018**
	$	**$**
Loss after income tax expense for the year	(10,786,557)	(13,606,453)
Adjustments for:		
Depreciation, amortisation and impairment	3,505,978	2,483,456
Equity settled employee benefit	1,225,911	1,276,005
Doubtful debts expense	6,479	-
Employment costs capitalised	(1,263,545)	(1,172,875)
Exchange differences on translation of FX	(65,597)	(559,515)
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	137,946	(351,900)
(Increase)/decrease in other assets	(691,909)	(1,180,029)
Increase/(decrease) in trade and other payables	2,317,163	1,431,549
Increase/(decrease) in provisions	(944,908)	209,952
Net cash used in operating activities	(6,559,039)	(11,469,810)

33. Earnings per share

	Consolidated	
	2019	2018
	$	$
Loss after income tax attributable to the owners of iCar Asia Limited and Controlled Entities	(10,786,557)	(13,606,453)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	406,827,498	380,921,356
Weighted average number of ordinary shares used in calculating diluted earnings per share	406,827,498	380,921,356
	Cents	Cents
Basic loss per share	(2.65)	(3.57)
Diluted loss per share	(2.65)	(3.57)

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

34. Share-based payments

Executive variable remuneration

Long term incentive plan (LTI)

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

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

Options plan

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

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

34. Share-based payments (continued)

Executive variable remuneration (continued)

Long Term Value Creation (LTVC)

The Group issued certain key management personnel with share appreciation rights as replacement awards under the existing executive variable remuneration plan for additional incentives and options. The existing Long Term Incentive plan is not affected by this new scheme and will run as per respective service agreements of key management personnel. The purpose of the LTVC scheme is to reward the value creation developed by the executives in driving growth in the business. The 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). 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. 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.

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.

Details of the entitlement for each key management personnel entitled to the LTVC scheme is outlined in Section C of the Remuneration Report.

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

	LTVC
Share price hurdle	$0.30
Baseline share price	$0.18
Dividend yield	0%
Expected volatility	62%
Expected volatility (new entrants)	66%
Risk-free interest rate	2.20%
Model used	Monte Carlo

34. Share-based payments (continued)

Executive variable remuneration (continued)

The table below discloses the accounting amortisation of LTVC Scheme in financial statements for the year ended 31 December 2019 relating to key management personnel. The table also discloses the total grant date fair value of the LTVC awarded to each key management personnel. The amortisation value is based on the fair value of LTVC Scheme at grant date which was on 22 February 2018. The LTVC Scheme entitlements is based on exceeding a specified share price hurdle in any of the three observation periods (2018, 2019 and 2020). For the December 2019 observation period, the volume weighted average price exceeded the specified share price hurdle. The number of shares awarded under the LTVC scheme for 2019 was 3,415,865 of which 2,049,519 (representing 60%) vested on 31 January 2020. The remaining 40% are due to vest on 31 January 2021 provided the key management personnel remains in service.

Key management personnel	Share of value creation	Amortisation in 2019 $	Grant date fair value $
H Stone Chief Executive Officer	1.25%	313,265	934,926
Yee Chin Beng Chief Financial Officer	0.30%	10,432	22,075
P Sttau[1] Chief Information Officer	0.45%		336,573
J Adams Chief Marketing Officer	0.25%	62,653	186,985

[1] P Sttau resigned on 27 September 2019.

Performance targets

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

Directors Remuneration

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

Issue of shares

Details of shares issued to Directors and other key management personnel as part of compensation during the year ended 31 December 2019 are set out below:

	Financial Year	Category	Number of Shares granted up to 31 December 2019	Number of shares vested during 2019	Fair Value per share $	Fair value of shares $	Grant date	Vesting date	Issue date
Executive Director:									
G Chmiel	2018	Director Fees	583,637	583,637	0.2227	130,000	February 2019	February 2019	June 2019
Non-Executive Directors:									
P Grove	2018	Director Fees[1]	134,685	134,685	0.2227	30,000	February 2019	February 2019	June 2019
L Elliott	2018	Director Fees[1]	134,685	134,685	0.2227	30,000	February 2019	February 2019	June 2019
S Khalil Ibrahim	2018	Director Fees	134,685	134,685	0.2227	30,000	February 2019	February 2019	June 2019
P Everingham	2018	Director Fees	134,685	134,685	0.2227	30,000	February 2019	February 2019	June 2019
R Kuo	2018	Director Fees	157,133	157,133	0.2227	35,000	February 2019	February 2019	June 2019
J Olsen	2018	Director Fees	375,000	375,000	0.2000	75,000	February 2019	February 2019	June 2019
Other Key Management Personnel:									
H Stone	2017	LTI	459,247	459,247	0.2450	112,516	February 2018	February 2019	February 2019
	2017	LTI	459,247	-	0.2450	112,516	February 2018	February 2020	February 2020
	2016	LTI	128,667	128,667	0.2000	25,733	February 2017	February 2019	February 2019
	2019	Remuneration	456,621	456,621	0.2190	100,000	February 2019	February 2019	February 2019

	Financial Year	Category	Number of Shares granted up to 31 December 2019	Number of shares vested during 2019	Fair Value per share $	Fair value of shares $	Grant date	Vesting date	Issue date
Other Key Management Personnel:									
P Sttau	2016	LTI	116,120	116,120	0.2000	23,224	February 2017	February 2019	February 2019
	2017	LTI	252,434	252,434	0.2450	61,846	February 2018	February 2019	February 2019
J Adams	2017	LTI	87,280	87,280	0.2450	21,384	February 2018	February 2019	February 2019
	2017	LTI	87,280	-	0.2450	21,384	February 2018	February 2020	February 2020

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

Share based payments of $1,259,655 have been accrued in relation to 2019 in lieu of Directors Fees ($275,000) and executive variable remuneration ($950,932). The number of shares to be granted will be agreed at the meeting of the Nomination & Remuneration Committee in February 2020.

Options

In April 2017 and May 2017 3,750,000 share options were granted to certain senior executives. The senior executives must be employed by the company on the vesting date or the options lapse. All options will be settled in shares.

During the year, options granted to key management personnel, with the exception of Executive Chairman, have been replaced by Long Term Value Creation scheme (LTVC).

The table below discloses the number of share options granted, vested or lapsed during the previous financial year that existed at 31 December 2019.

Key management personnel	Financial year	Options awarded during the year No.	Award date	Fair value per option at award date ($)	Vesting Date	Exercise price	Expiry date	No. vested during the year	No. lapsed during the year	Value of options awarded FY 2017 $
G Chmiel (Executive Chairman)	2017	1,000,000	26 May 2017	$0.129	31 December 2019	$0.40	31 December 2021	-	-	$129,000

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

Options holdings of KMP							
KMP	Balance 1 January 2019	Granted as remuneration	Options exercised	Net change other	Balance 31 December 2019	Exercisable	Not exercisable
G Chmiel (Exec. Chairman)	1,000,000	-	-	-	1,000,000	1,000,000	-
H Stone (CEO)	117,107	-	117,107	-	-	-	-
S Khalil Ibrahim (Director)	277,744	-	277,744	-	-	-	-
P Grove (Director)	25,963,757	-	10,000,000	12,185,980	3,777,777	3,777,777	-
L Elliott (Director)	25,963,757	-	10,000,000	12,185,980	3,777,777	3,777,777	-

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

In the directors' opinion:

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

- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the financial year ended on that date; and

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

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

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

On behalf of the directors

Georg Chmiel
Executive Chairman

Kuala Lumpur
26 February 2020

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of iCar Asia Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

Key Audit Matters

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

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

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Impairment testing of goodwill and intangible assets

Why significant	How our audit addressed the key audit matter
The carrying value of goodwill of $25.5 million and other intangible assets of $9.5 million as disclosed in Note 13 represent 72% of the total assets of the Group. As required by Australian Accounting Standards, the Group assesses at the end of each reporting period whether there is any indication that non-current assets may be impaired. In addition, goodwill and indefinite life intangibles are tested for impairment at least annually. The impairment of non-current assets, including goodwill and other intangibles was a key audit matter due to the significance of these balances and the complex judgements in the impairment assessment process such as forecasting revenue growth and operating costs that will be impacted by future performance and market conditions. The Group's disclosures in relation to impairment testing of goodwill and other intangibles are included in Note 13 of the financial report.	Our audit procedures included assessing the appropriateness of the cash generating units ("CGUs") where impairment testing was performed, taking into consideration the levels at which management monitors business performance and the interdependency of cash flows. In respect of the Group's CGUs, where indicators of impairment were present or in CGUs that contained significant goodwill balances as at 31 December 2019, we performed the following procedures: ▶ Assessed the appropriateness of the valuation methodologies applied. ▶ Tested the mathematical accuracy of the discounted cash flow model. ▶ Assessed key assumptions such as forecast revenue growth and operating costs in comparison to external independent data, where relevant. ▶ Assessed the Group's results in comparison to historical forecasts to assess forecast accuracy. ▶ Compared future cash flows to board approved budgets. ▶ Compared revenue multiples derived from the Group's value in use model to those observable from external market data of comparable listed entities, where available. We performed sensitivity analysis in respect of the assumptions noted above, which were considered to have the most significant impact on carrying values, to ascertain the extent of changes in those assumptions which either individually or collectively would be required for there to be an impairment. We assessed the likelihood of these changes in assumptions arising. We also considered the adequacy of the financial report disclosures regarding the impairment testing approach, key assumptions and sensitivity analysis as disclosed in Note 13 of the financial report. Our valuation specialists were involved in the performance of these procedures where appropriate.

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Revenue recognition

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2019 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

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

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

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

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 29 of the directors' report for the year ended 31 December 2019.

In our opinion, the Remuneration Report of iCar Asia Limited for the year ended 31 December 2019, complies with section 300A of the Corporations Act 2001.

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Responsibilities

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

Ernst & Young

Ernst & Young

BJ Pollock
Partner

Melbourne
26 February 2020

The shareholder information set out below was applicable as at 31 December 2019.

ASX Listing Rule 4.10.19

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

Distribution of equitable securities

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

	Total holders of ordinary shares	Units
1 to 1,000	395	200,869
1,001 to 5,000	912	2,700,823
5,001 to 10,000	512	4,067,067
10,000 to 100,000	1,287	46,471,062
100,001 and over	310	370,990,101
	3,416	424,429,922

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are:	Ordinary shares	
	Number held	% of total shares issued
ICQ HOLDINGS SDN BHD	52,500,000	12.37%
CARSALES COM LIMITED	50,373,365	11.87%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	46,980,310	11.07%
CATCHA GROUP PTE LTD	46,319,392	10.91%
J P MORGAN NOMINEES AUSTRALIA	30,131,581	7.10%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,867,031	2.80%
UBS NOMINEES PTY LTD	7,887,000	1.86%
DCM BLUELAKE PARTNERS PTY LTD	6,000,000	1.41%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,888,314	1.39%
RUBI HOLDINGS PTY LTD <JOHN RUBINO S/F A/C>	5,000,000	1.18%
CITICORP NOMINEES PTY LIMITED	4,105,607	0.97%
MARENSA PTY LTD <STEWART SUPER A/C>	4,000,000	0.94%
TARGET RANGE PTY LTD	3,694,739	0.87%
MR MICHAEL STEWART BUNKER	3,000,000	0.71%
TIMSIM HOLDINGS PTY LTD <NO 2 A/C>	2,372,413	0.56%
MRS MELANIE JANE STONE	2,062,821	0.49%
ALCOCK SUPERANNUATION FUND PTY LTD <ALCOCK SUPER FUND A/C>	2,028,131	0.48%
ABSOLUTE INVESTMENTS AUSTRALIA PTY LTD <ABSOLUTE A/C>	1,889,888	0.45%
MR JOHN DAVID WHEELER & MR GLEN ROBERT WHEELER <WHEELSUP S/F A/C>	1,750,000	0.41%
EMINENT HOLDINGS PTY LTD	1,481,034	0.35%
	289,331,626	**68.17%**

Unquoted equity securities

There are no shares held in escrow

Substantial holders

The names of substantial shareholders of the Company (holding not less than 5%) who have notified the Company in accordance with Section 671B of the Corporations Act 2001 are set out below:	Ordinary shares	
	Number held	% of total shares issued
Catcha Group Pte Ltd	119,943,310	28.26
carsales.com Ltd	50,373,365	11.87
PM Capital Limited	40,914,597	9.64
	211,231,272	**49.77**

Voting rights

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

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

There are no other classes of equity securities.

Directors	Georg Chmiel (Executive Chairman) Hamish Stone (Managing Director and Group Chief Executive Officer) Patrick Grove Lucas Elliott Syed Khalil Ibrahim Peter Everingham Richard Kuo
Group Chief Executive Officer	Hamish Stone Hamish.Stone@icarasia.com
Group Chief Financial Officer	Yee Chin Beng chinbeng.yee@icarasia.com
Company Secretary	Hasaka Martin Hasaka.Martin@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/