

ASX/MEDIA RELEASE

iCar Asia Limited reports record revenue in 1H 2018, solid growth expected to continue in Q3

- Record revenue in first half of 2018, 12 per cent increase compared to 1H 2017
- Online classifieds for used cars continues to be biggest contributor, 33 per cent growth in revenue year-on-year
- Strong year on year growth in all key operating metrics for another consecutive period
- Malaysian business is expected to become run-rate EBITDA positive in September, three months ahead of previously forecast

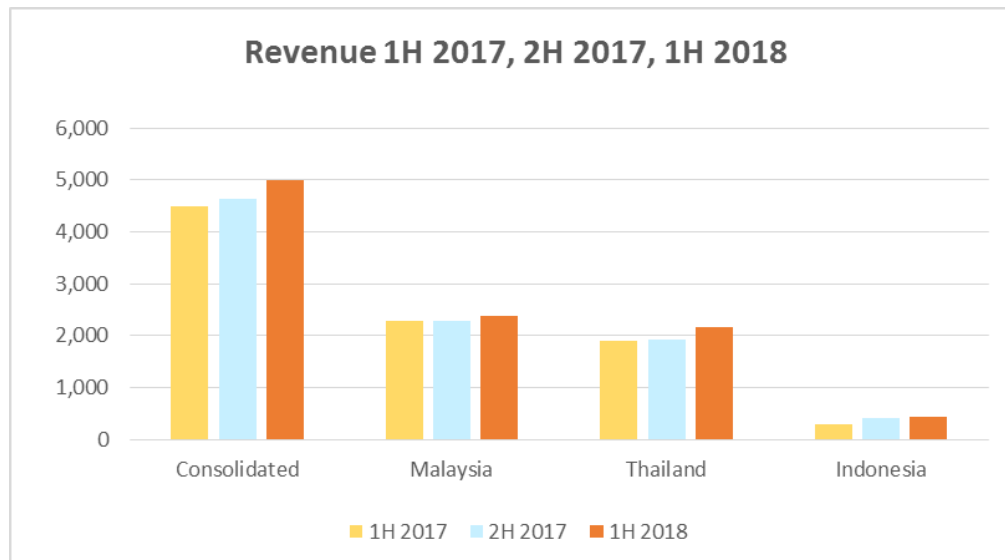
22 August 2018 - iCar Asia Limited ('iCar Asia' or the 'Company'), owner of ASEAN's number 1 network of automotive portals today released its Financial Report for the first half year of 2018.

Financial Performance

Revenue growing to over \$5.0m for a half for first time ever

In the first half of 2018 the Company generated \$5,008,342 in revenue (first half 2017: \$4,482,592), an increase of 12% and are up across all countries.

Revenues from **Used Car** sales and related services (2/3 of total revenues) continue to grow strongly at 35% during 1H 2018 and continues to go from strength to strength. **New Car** related revenues (1/3 of total revenues) were impacted by the General Election in Malaysia in May, resulting in revenue from media and events being retimed as events and online campaigns were rescheduled to Q3.



Expected record Q3 revenue growth in excess of 50%

Due to the retiming of revenues, the Company expects to have its largest ever year on year Q3 revenue growth in excess of 50%.

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EBITDA margin continues to improve with the optimization of spending and cost management measures

Operating expenses decreased 2% in the first half of 2018 to \$10.7m largely through a 34% decrease in discretionary marketing expenses compared to the prior corresponding period as market optimization continues to deliver great operational results at lower budgets. Increases in mostly non-cash (share based) employment incentives did offset some of these savings.

As a result of this cost management and the revenue growth delivered, the EBITDA loss for the Company decreased by 12% for the first half of 2018 to \$5.7m (first half 2017: \$6.5m) compared to the prior corresponding period.

Malaysia EBITDA is expected to be break-even in September 2018

The Malaysian business is expected to become run-rate EBITDA positive in September, three months ahead of previous forecast. The Company remains on track for its Thailand operations to become run-rate EBITDA break-even by the end of 2018, with the Company forecast to become run-rate EBITDA break-even by the end of 2019.

Operating Performance Highlights

Extending leadership position in all markets and rolling out transactional strategy in new car and used car auctions

The Group continued to deliver solid growth in its operating metrics as well as the implementation of key initiatives to ensure improvements in user experience, with a view of driving long-term engagement.

In **Malaysia**, average monthly audience grew 34% year on year in 1H 2018 which drove leads growth of 50%. In May, prices across key classified products increased on average by 16%. Directly after the price increase, paid accounts were down 8% year on year. In addition to this, the New Car project is beginning to ramp up with a revised business model based on qualified leads and car transactions.

On 13 August, we launched our trade-in proposition for private sellers' and fleet owners to auction their cars to dealers across Malaysia. This will allow us to connect our large network of potential car sellers to the over 3,000 car dealers that work with us in Malaysia. With successful testing completed in all our markets we will be rolling out this business over the coming months in Thailand and Indonesia.

In **Thailand**, average monthly audience grew strongly year on year at 60% in 1H 2018, with leads increasing at 16% year on year. In May, prices across key classified products were increased by an average of 39%. Even with this our used car business saw a growth of 23% more dealer accounts year on year in June 2018.

Indonesia also showed strong audience growth, with average monthly audience growing at 51% year on year and leads at 33%. In May, we increased prices across key classified products by an average of 82%, with dealer accounts increasing at 3% year on year in June 2018.

Continued execution of strategy to deliver future growth

iCar Asia continues to execute its strategy to setup the business for future growth. With the roll-out of its new car platform in all markets now complete, and auction officially launched in Malaysia and soon to be launched in the remaining markets, 2H will be a period of healthy growth and increased diversification.

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This highlights the benefits of the single technology platform, which are being realized through the speed of roll-out of these new businesses and the efficiency of the optimization of the product.

Operating Environment and Opportunities

CEO of iCar Asia Limited, Mr. Hamish Stone commented: "iCar Asia continues to show the right progress towards building a large profitable business. With our business in Malaysia moving to run-rate EBITDA profitability 3 months earlier than originally forecast we have demonstrated that the strategy and progress we are making will deliver the result we committed to. This has been achieved despite the impact of one-off events in Malaysia around the Election and change of government.

Adding new car and auctions to our existing core business will provide a further boost to growth. This will allow us to take further advantage of our market leadership position across the largest automotive markets in the ASEAN Region."

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About iCar Asia Limited (www.icarasia.com)

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

Headquartered in Kuala Lumpur, Malaysia, the company is focused on developing and operating leading automotive portals in Malaysia, Indonesia and Thailand. iCar Asia is continuously working to capitalise on its market-leading positions, with its online properties currently reaching approximately 12 million car buyers and sellers in the region every month.

iCar Asia Network of websites

- Malaysia: Carlist.my
- Malaysia: Carlistbid.my
- Malaysia: LiveLifeDrive.com
- Indonesia: Mobil123.com
- Indonesia: Otospirit.com
- Thailand: One2Car.com
- Thailand: Autospinn.com
- Thailand: Thaicar.com

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