

ASX ANNOUNCEMENT

ASX CODE: ICQ

15 November 2017

\$10.0 Million Underwritten Non-Renounceable Rights Issue and \$5.0 Million Loan Facility

Overview

- 1 for 5.8 non-renounceable Rights Issue to raise approximately \$10.0 million at an issue price of \$0.18 per share
- Eligible shareholders to receive 1 attaching unlisted option for each new share subscribed under the Rights Issue, exercisable at \$0.20 until an expiry date of 18 months from the date of issue
- Right Issue fully underwritten by Bell Potter Securities Limited
- Funds from the Rights Issue to be used to accelerate the growth of the Company by investing in marketing, business development and technology
- \$5.0 million 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 which is subject to shareholder approval

iCar Asia Limited ('iCar Asia' or the 'Company') is pleased to announce a 1 for 5.8 non-renounceable rights issue of fully paid ordinary shares (**New Shares**) in the Company to Eligible Shareholders (**Offer**) at \$0.18 per New Share (**Offer Price**) to raise approximately \$10.0 million before transaction costs. Eligible Shareholders who subscribe to the Offer will also receive 1 attaching unlisted option for every New Share subscribed for, exercisable at \$0.20 until an expiry date of 18 months from the date of issue.

The Offer is to be fully underwritten by Bell Potter Securities Limited who is acting as Lead Manager and Underwriter to the Offer.

Following the Offer, the Company will have access to up to \$41.0 million¹ in funding sources which gives it the financial flexibility to execute its New Car² and other growth strategies.

iCar Asia Executive Chairman Georg Chmiel said *"In 2017, the company started to significantly accelerate its growth rate as well as grow its market share in many dimensions across the core markets of Malaysia, Thailand and Indonesia. The additional funds raised under the Offer will allow*

¹ This amount includes the existing cash balance as at 30 September 2017, the funds raised under the Offer less costs, the \$5 million cash loan facility less commitment fee and assumes that all the new Options issued under the Offer and the Options to be issued to Catcha Group Pte Ltd are exercised.

² New Car is the combined digital transactional new car business, advertising and event business.

the company to accelerate this growth in both the used and new car segment by making additional investments and pursue additional growth opportunities. The objectives of the Offer are to provide the company with capital to reach profitability and positive cash flow. As a Board, we fully support this transaction and appreciate the support we receive from Catcha Group as the company's largest shareholder."

Use of Funds

The Board intends to use the proceeds of the Offer across the following 3 key areas:

- 1 **Marketing, so as to:**
 - (i) Grow the Company's position in the New Car sales category through marketing of the New Car platform;
 - (ii) Maintain its position as the leading online Used Car³ marketplace;
 - (iii) Increase the number of car shows and sales events to build transaction volumes across its New Car and Used Car product offerings;
- 2 **Business development, so as to**
 - (i) Invest in sales and operations to support roll-out of the New Car business;
 - (ii) Expand into adjacent market segments including auto finance, insurance, inspection and warranty services;
- 3 **Technology, so as to**
 - (i) Continue investment in and optimisation of the New Car platform;
 - (ii) Deliver further innovations in mobile app functionality to drive further user engagement and extend the Company's competitive technical advantage;
 - (iii) Expand artificial intelligence capability to enable further application in the New Car and Used Car segments.

About the Offer

The Offer will be made pursuant to a prospectus which is expected to be lodged with ASIC today (**Prospectus**). Eligible shareholders will receive the Prospectus including a personalised entitlement and acceptance form which will provide further details of how to participate in the Offer.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Eligible shareholders who do not take up their entitlements will not receive any value in respect of those entitlements that they do not take up.

Catcha Group Pte Ltd is fully supportive of the Company direction and strategy and has agreed to take up its full entitlement of approximately \$1.07 million and sub-underwrite a further approximately \$3.56 million of the Offer (including the entitlement of ICQ Holdings Berhad, a company controlled by Catcha Group Pte Ltd) resulting in a total maximum commitment of

³ Used Car is the combined digital transactional used car business, advertising and event business

approximately \$4.63m under the Offer. Catcha Group Pte Ltd will hold a voting power of between 26.97% and 29.81% following completion of the Offer.

The New Shares subscribed for can be freely traded and do not have to be traded with the unlisted options being issued under the Offer.

Indicative Timetable

The indicative timetable for the Offer is set out below.

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| Lodgement of Prospectus with ASIC | Wednesday, 15 November 2017 |
| Lodgement of Prospectus and Appendix 3B with ASX | Wednesday, 15 November 2017 |
| Notice sent to Shareholders | Thursday, 16 November 2017 |
| Ex-Date for Rights Issue | Friday, 17 November 2017 |
| Record Date for eligibility to participate in the Offer | Monday, 20 November 2017 |
| Prospectus despatched to eligible shareholders and announcement that despatch has been completed | Thursday, 23 November 2017 |
| Closing Date of Offer | Monday, 4 December 2017 |
| New Shares quoted on a deferred settlement basis | Tuesday, 5 December 2017 |
| Notify ASX of under-subscriptions | Thursday, 7 December 2017 |
| Issue of New Shares | Tuesday, 12 December 2017 |
| Quotation of New Shares | Wednesday, 13 December 2017 |

All dates are indicative only and subject to change. All times and dates refer to times and dates in Melbourne, Australia. Subject to the requirements of the *Corporations Act 2001* (Cth), the ASX Listing Rules and any other applicable laws, iCar Asia reserves the right to withdraw or vary the timetable without notice.

About the Loan

The Company and its subsidiary iCar Asia Pte Ltd have entered into a \$5.0 million loan facility and security agreement with Catcha Group Pte Ltd (**Loan**) on arm's length terms. The Loan is not inter-conditional with the Offer and provides an additional source of funding for the Company to draw on if and when required, subject to certain conditions being satisfied (including shareholder approval of the issue of options to Catcha Group Pte Ltd). The Loan is secured by a first-ranking security over all the assets of the Company in favour of Catcha Group Pte Ltd. Key terms of the Loan include:

- An interest rate of 12% per annum.
- A maturity date of 3 years. The Company has a unilateral right to cancel or prepay the Loan before it matures.
- 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.

- Customary financial and operational undertakings by the Company, including relating to reporting and maintenance of assets.

Waiver of ASX Listing Rule 10.1

iCar Asia has received a waiver of ASX Listing Rule 10.1 from ASX to the extent necessary for it to grant security over its assets (**Security**) in favour of Catcha Group Pte Ltd (**Lender**), a related party of the Company, in order to secure the Company's obligations under the Loan, without obtaining shareholder approval. The waiver is subject to the following conditions:

- if an event of default occurs and the Lender exercises its rights under the Security, neither the Lender nor any of their associates can acquire any legal or beneficial interest in an asset of the Company or its subsidiaries in full or part satisfaction of the Company's obligations under the Security, or otherwise deal with the assets of the Company or its subsidiaries, without the Company first having complied with any applicable listing rules, including Listing Rule 10.1, other than as required by law or through a receiver, or receiver or manager (or analogous person) appointed by the Lender exercising their power of sale under the Security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to the Lender or any of its associates in accordance with their legal entitlements;
- a summary of the material terms of the Security is made in each annual report of the Company during the term of the Security;
- any variations to the terms of the Security which is not a minor change or inconsistent with the terms of the waiver, must be subject to shareholder approval;
- the Company and the Lender must seek to discharge the Security when the funds advanced by the Subscribers to the Company are repaid, or if it is not discharged, seek shareholder approval for the continuation of the Security for any further period; and
- the Company immediately releases to the market an announcement which sets out the terms of the waiver, and the Company's plans with respect to the (i) repayment of the funds advanced under the Loan, and (ii) discharge of the Security, including the timeframe within which it expects the repayment and discharge to occur.

The Security contains a clause that complies with the first condition above.

Once a draw down is made under the Loan, iCar Asia Pte Ltd expects to repay the drawn down amount no later than the last repayment date which is 3 years after the date of the Loan and discharge the Security shortly thereafter.

Option issue to Catcha Group Pte Ltd

In conjunction with the Loan, the Company has entered into an Option Deed with Catcha Group Pte Ltd for the issue of up to 11,333,330 unlisted options exercisable at \$0.20 until an expiry date of 3 years from the date of issue to Catcha Group Pte Ltd. The issue of such unlisted options is subject to the Company obtaining shareholder approval under Listing Rule 10.11. The Company expects to obtain the relevant shareholder approvals at its next annual general meeting. If shareholder

approval is obtained, 3,777,777 of the options will be issued on the date of approval, and the remaining 7,555,553 options will be issued when the Company draws down funds under the Loan.

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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 over 8 million car buyers and sellers in the region every month.

iCar Asia Network of websites

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