

ASX Code: FDV

15 October 2020

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

NOTIFICATION TO INELIGIBLE SHAREHOLDERS

Attached is a sample of the letter that will be provided to shareholders of Frontier Digital Ventures Ltd ('**FDV**') who are ineligible to participate in the 1 for 9 accelerated non-renounceable entitlement offer of new shares in FDV ('**New Shares**'), which was announced on Thursday, 8 October 2020.

- ENDS -

The release of this announcement was authorised by the Board of Directors of Frontier Digital Ventures Ltd.

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About FDV Limited

FDV is a leading operator of online classifieds businesses in underdeveloped, emerging countries or regions. With a track record of building and supporting market leading online businesses, FDV's management are experts in the online classifieds space with a particular focus on property and automotive verticals and general classifieds websites. FDV's portfolio currently consists of 15 market leading companies, operating businesses across 20 markets. With the extensive support offered to the local operating companies, coupled with their own energy and work ethic, the FDV management team are bringing outstanding companies to their full potential.

Important Notice and Disclaimer

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer or solicitation would be illegal. Neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, to persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities law of any state or other jurisdiction of the United States.

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Nothing contained in this announcement shall form the basis of any contract or commitment, or constitute investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.

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Dear Sir/Madam

FDV Accelerated non-renounceable pro-rata entitlement offer - Notification to ineligible shareholders

On Thursday, 8 October 2020, Frontier Digital Ventures Ltd (ACN 25 609 183 959) ("**Company**" or "**FDV**") announced that it was conducting a capital raising to raise up to a total of \$100 million by way of a non-underwritten institutional placement ("**Placement**") and a non-underwritten pro rata accelerated non-renounceable entitlement offer to eligible shareholders to subscribe for 1 new ordinary share in FDV ("**New Share**") for every 9 existing ordinary shares in FDV ("**Existing Shares**") registered on the FDV share register ("**Register**") at 7.00pm (Melbourne time) on Monday, 12 October 2020 ("**Entitlement**"), at an offer price of \$1.25 per New Share ("**Offer Price**") ("**Entitlement Offer**", and together with the Placement, the **Offer**).

The proceeds of the Offer will be used to fund the acquisition of 100% of the issued capital of Fincaraiz, Avito and Tayara and for further growth capital, balance sheet flexibility and payment of transaction costs. More detail is provided in FDV's Investor Presentation lodged with the Australian Securities Exchange ("**ASX**") on Thursday 8 October 2020.

Morgans Corporate Limited and Bell Potter Securities Limited are joint lead managers of the Placement and Entitlement Offer ("**Joint Lead Managers**").

This is a letter to inform you that you are not an Eligible Retail Shareholder for the purposes of the Retail Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation to apply for New Shares. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer and Placement that you should be aware of.**

Entitlement Offer

The Entitlement Offer comprises an institutional entitlement offer ("**Institutional Entitlement Offer**"), which closed on 9 October 2020, and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms ("**Retail Entitlement Offer**"), which opened today.

The Entitlement Offer is being made by FDV in accordance with section 708AA of the *Corporations Act 2001* (Cth) ("**Corporations Act**") as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*, meaning that no prospectus or other disclosure document needs to be prepared.

Institutional Entitlement Offer

The Institutional Entitlement Offer has already closed, and the results were announced to the ASX on Monday, 12 October 2020. Through the Institutional Placement and Institutional Entitlement Offer, FDV has now raised gross proceeds of approximately A\$93 million.

Retail Entitlement Offer

The Retail Entitlement Offer, which will raise up to approximately A\$7 million, is being made to Eligible Retail Shareholders (as defined below) on the basis of 1 New Share for every 9 Existing Shares in FDV registered on the Register at 7.00pm (Melbourne time) on Monday, 12 October 2020 ("**Record Date**").

A retail offer booklet which sets out further details in respect of the Retail Entitlement Offer ("**Retail Offer Booklet**") was lodged with the ASX today and will be sent to Eligible Retail Shareholders (as defined below).

Shareholders who are eligible to participate in the Retail Entitlement Offer ("**Eligible Retail Shareholders**") are those persons who:

- are registered as holders of Existing Shares as at the Record Date;
- have a registered address on the FDV share register in Australia or New Zealand at that date;
- are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- were not invited to participate in the Institutional Entitlement Offer (other than as nominee or custodian, in each case in respect of other underlying holdings) and were not treated as ineligible institutional shareholders under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Eligibility criteria

The restrictions upon eligibility to participate in the Entitlement Offer arise because of the legal and regulatory requirements in certain countries, the relatively small number of shareholders in certain countries, the small number of FDV shares that are shown on the Register as being held by shareholders in certain countries, the relatively low value of New Shares to which shareholders would otherwise be entitled in certain countries and the potential cost of complying with legal and regulatory requirements in certain countries.

FDV has determined, pursuant to section 9A(3) of the Corporations Act and Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable on this occasion to make offers under the Retail Entitlement Offer to shareholders of FDV in countries other than Australia or New Zealand, and in respect of the Institutional Entitlement Offer, certain additional countries, due to the legal limitations and potential costs of complying with legal and regulatory requirements in each of those countries. The Joint Lead Managers and their affiliates and related bodies corporate and each of their directors, officers, partners, employees, advisers and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

Why am I not eligible to participate in the Retail Entitlement Offer?

Unfortunately, according to our records, you did not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with section 9A(3) of the Corporations Act and ASX Listing Rule 7.7.1(b), FDV is unfortunately unable to extend to you the opportunity to participate in the Retail Entitlement Offer. Under the terms of the Retail Entitlement Offer, you are not eligible to apply for New Shares and you will not be sent a copy of the offering materials relating to the Retail Entitlement Offer.

Notwithstanding the above, FDV may (in its absolute discretion) agree to extend the Retail Entitlement Offer to certain institutional shareholders in foreign jurisdictions who did not participate in the Institutional Entitlement Offer subject to compliance with applicable laws.

No action required

Entitlements in respect of the New Shares you would have been entitled to if you were an Eligible Shareholder will lapse. As the Retail Entitlement Offer is non-renounceable, you will not receive any payment or value for these entitlements in respect of New Shares that would have been offered to you if you were an Eligible Retail Shareholder.

Thank you for your continued support of FDV and I trust you understand FDV's position on this matter.

If you have any queries regarding the Retail Entitlement Offer, please contact your professional adviser or please call the FDV Shareholder Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) at any time from 8.30am to 5.00pm (Melbourne time) Monday to Friday before the Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Thursday, 29 October 2020. For other questions, you should consult your broker, solicitor, accountant, financial advisor, or other professional adviser.

Yours sincerely



Anthony Klok
Chairman
Frontier Digital Ventures Ltd

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