

**ASX Code: FDV**

9 June 2021

## **FDV moves to 100% ownership of InfoCasas**

- **FDV has entered into a sale agreement to acquire the remaining 49% interest in InfoCasas to move to 100% ownership, consolidating its position in South America with 3 wholly owned businesses across 6 key countries**
- **InfoCasas is one of the best performing businesses in FDV's portfolio, demonstrating strong revenue growth, 4 consecutive quarters of positive EBITDA, and operating on a self-sustaining basis**
- **The transaction follows the recent 100% acquisitions of fincaraiz.com.co ("Fincaraiz") in Colombia and Yapo.cl ("Yapo") in Chile, both market leading online classifieds portals**
- **FDV's highly strategic footprint in South America and evolution towards 100% ownership facilitates greater control, economic benefit and flexibility for monetisation opportunities**
- **FDV continues to actively assess opportunities to scale across emerging markets, with the focus now returning to Developing Asia**

Frontier Digital Ventures Limited ("FDV", **ASX: FDV** or the "**Company**") is pleased to announce that it has entered into a sale agreement to move from 51% to 100% ownership of InfoCasas, the leading property portal in Uruguay, Paraguay, and Bolivia<sup>1</sup>, with an early-stage presence in Peru, through the purchase of all remaining shares on issue. The transaction will establish FDV as one of the leading operators of online classifieds businesses in Latin America and significantly enhances FDV's scale and strategic footprint in the region.

### **FDV's Founder and CEO, Shaun Di Gregorio commented:**

*"We are delighted to announce this transaction, which significantly strengthens FDV's strategic footprint in South America. On completion, FDV will have 100% ownership of InfoCasas, Fincaraiz and Yapo, which is expected to facilitate greater partnership and monetisation opportunities. FDV also holds a valuable minority position in Encuentra24 that spans Central America. Together, these 4 operating companies provide a unique and diversified exposure to 12 highly attractive markets across Latin America.*

*InfoCasas has been a standout performer within FDV's portfolio and a wonderful case study in support of FDV's business model. The growth in transaction-based revenues supports an exciting outlook for the business and highlights the significant value InfoCasas is creating for FDV's shareholders.*

*FDV continues to actively assess opportunities to scale across emerging markets, with our focus now shifting back to Developing Asia. FDV is in an enviable position as we continue to execute on our long-term value creation strategy, and we thank shareholders for their continued support."*

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1. Based on SimilarWeb, which ranks websites on metrics including site visits and average visit duration during May 2021

The increased shareholding in InfoCasas will represent a highly strategic investment alongside FDV's recent 100% acquisitions of Fincaraíz in Colombia and Yapo in Chile. FDV also holds a 26.3% interest in Encuentra24 following the combination last year with OLX Group's online classifieds platform that spans Central America (see announcement '*Encuentra24 transaction extends market leadership*', 9 July 2020). The terms of that agreement provided OLX with a call option over all of the issued shares of Encuentra24, which it may choose to exercise on the second or third anniversary of the agreement.

InfoCasas has continued to exceed FDV's expectations since FDV's initial investment in September 2017, with strong growth in advertisers, listings, monthly site visits, revenue, and operating EBITDA. Pleasingly, the business has made significant progress in the development of a transaction-based platform which is expected to drive continued revenue growth.

FDV sees a significant opportunity for InfoCasas to expand its current market position in Peru, a market larger than Uruguay, Paraguay and Bolivia combined. In addition, InfoCasas' partnership with AoCubo, a digital property agency in Brazil, provides InfoCasas with a 3-year option to acquire up to a 20% shareholding of that business (see announcement '*InfoCasas enters Brazil through new partnership*', 9 September 2020).

#### FDV's strategic footprint in Central and South America



Under the sale agreement with InfoCasas' other shareholders, consideration for the remaining 49% of InfoCasas shares will comprise of an upfront cash component and a performance-based earn-out in two tranches. The initial cash consideration of US\$6.2m (~A\$8.0m) will be funded using existing cash reserves. Calculation of the two earn-out consideration payments will be based on revenue and EBITDA targets at the completion of FY21 and FY22 respectively. The CEO of InfoCasas, Ricardo Frechou, will remain in his current position and continue to manage the operations of the business through to the end of FY22. Completion of the sale agreement is expected to occur on Wednesday, 23 June 2021.

FDV reported a strong cash position of A\$29.2m as at 31 March 2021.

**InfoCasas' CEO, Ricardo Frechou said:**

*"I am very proud of what we have achieved with FDV to build InfoCasas into the market leading business it is today. The strategic oversight, operational guidance, collective knowledge and global network of FDV and its team has been incredibly helpful to fast track our growth.*

*I look forward to continuing this journey with FDV in the coming years as InfoCasas continues to go from strength to strength."*

In 1Q 2021, InfoCasas continued to achieve significant operational progress, with 1Q 2021 revenue of A\$1.9m increasing 32% on the prior corresponding period (100% basis), despite the AUD appreciating against the local currencies by up to 28.4%. Notably, InfoCasas has reported 4 consecutive quarters of positive EBITDA and operates on a self-sustaining basis. The sustained operational progress of InfoCasas highlights the significant value the business continues to create for FDV's shareholders.

Vesparum Capital is acting as financial advisor, and Herbert Smith Freehills as Australian legal advisor, to FDV in relation to the acquisition.

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

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**About FDV**

Frontier Digital Ventures (FDV) is a leading owner and operator of online marketplace businesses in fast growing emerging markets. Currently, FDV's portfolio consists of 16 market leading companies, operating across 21 markets in Developing Asia, Latin America and MENA. FDV works alongside local management teams across property, automotive and general classifieds, providing strategic oversight and operational guidance which leverages FDV's deep classifieds experience and proven track record. FDV seeks to unlock further monetisation opportunities beyond the typical classifieds revenue, to grow the equity value of its operating companies and realise their full potential. Find out more at [frontierdv.com](http://frontierdv.com).