

ASX Code: FDV

5 April 2023

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FDV successfully completes institutional placement

- **FDV has successfully raised A\$13.0m via an institutional placement to partially fund the final cash contingent consideration payments for the acquisition of key FDV LATAM businesses**
- **InfoCasas and Encuentra24 are two of the largest businesses in FDV's portfolio, and have demonstrated strong operational performance since FDV's move to 100% ownership**
- **100% ownership of InfoCasas and Encuentra24 consolidated FDV's position with full ownership of FDV LATAM**
- **The institutional placement attracted participation from domestic and international shareholders as well as several new institutional investors**
- **FDV is undertaking a share purchase plan to raise up to approximately A\$2.0m, providing the opportunity for all shareholders to participate in the capital raising**

Frontier Digital Ventures Ltd ("FDV" or the "Company") is pleased to announce that it has successfully raised A\$13.0m via an institutional placement to partially fund the final cash contingent consideration payments for the acquisition of FDV LATAM businesses, InfoCasas and Encuentra24, with the balance of the cash consideration payments funded from existing cash reserves.¹

FDV's Founder and CEO, Shaun Di Gregorio said:

"We are delighted by the significant progress made by InfoCasas and Encuentra24 since we reached 100% ownership. FDV LATAM now represents the largest region in our Group by revenue, with an attractive long-term growth and monetisation profile.

We are grateful for the ongoing support from both existing and new institutional investors as part of the institutional placement. We are also pleased to provide our retail shareholders with an opportunity to participate in the capital raising via the share purchase plan."

InfoCasas and Encuentra24 performance

In June 2021, FDV moved from 51% to 100% ownership in InfoCasas, the leading property portal in Uruguay, Paraguay and Bolivia (see ASX announcement, *FDV moves to 100% of InfoCasas*, 9 June 2021). In December 2021, FDV moved from 26% to 100% ownership in Encuentra24, the leading classifieds marketplace in five key Latin American markets, with strong presence across key property and auto verticals (see ASX announcement, *Increase in Encuentra24 ownership and capital raising*, 17 December 2021). These two businesses represent the largest wholly-owned operating companies in FDV's portfolio by FY22 revenue (100% basis).

¹ This assumes that the minimum proportion of the anticipated final consideration payment is exchanged for equity in FDV LATAM under the subscription agreements between FDV and key shareholders of InfoCasas and Encuentra24. This is subject to satisfaction of certain conditions and discussions with the key shareholders regarding whether the equity will be issued by FDV LATAM or FDV Group. Please refer to pages 9 and 10 of the investor presentation which will be released following this announcement for further information in relation to the earn out payment exchanges.

Figure 1 highlights InfoCasas' strong growth trajectory since FDV's initial investment in FY17. InfoCasas has achieved a revenue compound annual growth rate (CAGR) of 67.8% from FY17 to FY22, primarily related to its core classifieds business and more recently successful transactions strategy. The Company has exceeded expectations since FDV moved to 100% ownership, with revenue and EBITDA increasing 32.3% and 23.6% respectively in FY22 relative to FY21 (100% basis).

Figure 1: InfoCasas revenue (LHS) and EBITDA (RHS) (100% basis, A\$m)

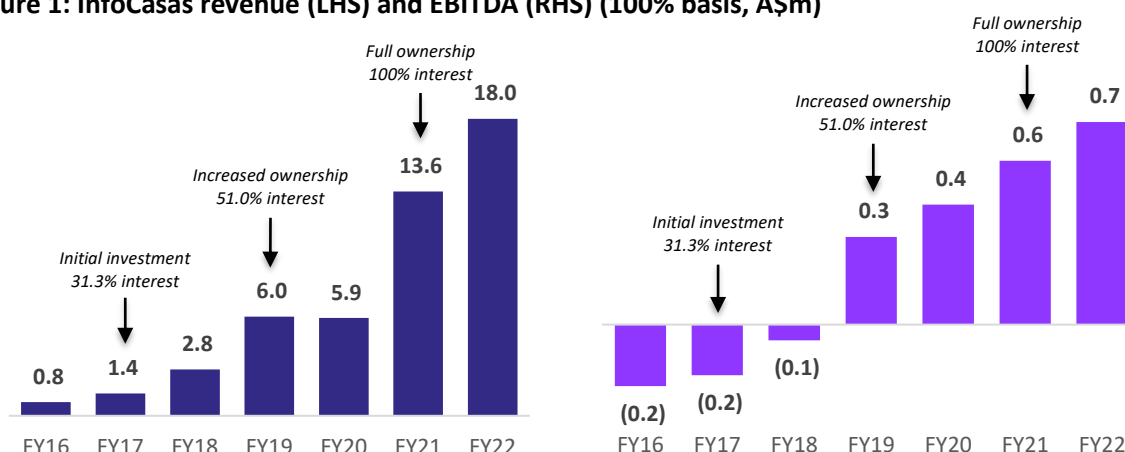
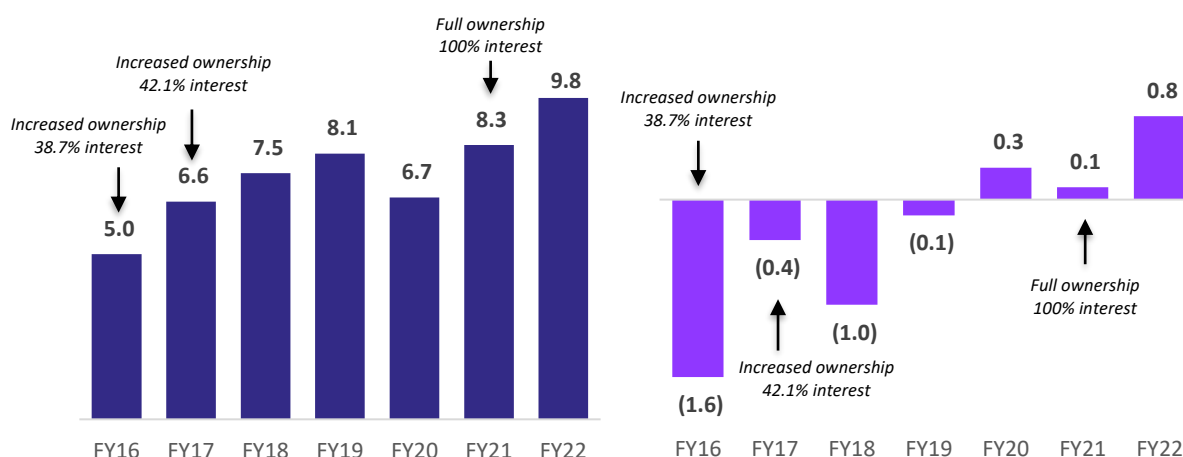


Figure 2 highlights the significant improvement in Encuentra24's EBITDA profile since FDV moved to 100% ownership in December 2021. Encuentra24's EBITDA improved ~7x between FY21 and FY22, representing an expansion in EBITDA margin from +1% to +8% (100% basis). Revenue grew to A\$9.8m in FY22, representing a 17% increase on FY21 (100% basis). The rapid transition of Encuentra24's financial profile provides a sustainable platform for long-term growth.

Figure 2: Encuentra24 revenue (LHS) and EBITDA (RHS) (100% basis, A\$m)



The acquisition of InfoCasas and Encuentra24 significantly enhanced FDV's scale and strategic footprint in the Latin American region, and enabled FDV to introduce a local leadership team at the FDV LATAM holding company level in October 2022 (see ASX announcement, *FDV LATAM strategy update*, 6 October 2022).

FDV LATAM is led by Ricardo Frechou and Guillermo Tavidian as CEO and CTO of FDV LATAM, from their previous roles as CEO and CTO of InfoCasas, respectively. The FDV LATAM leadership team have made strong progress against its value creation plan to unlock the full value of the region, including the sharing of InfoCasas' proprietary technology and IP, development of new products, optimisation of leads and traffic, and an employee restructure to achieve leaner, flatter and more productive companies. The employee, marketing and technology efficiency initiatives undertaken are expected to generate annual savings of A\$3m in FY23. This positions FDV LATAM well to achieve its medium-term revenue ambition of US\$100m and potential future listing of FDV LATAM on the NASDAQ.

Capital raising use of funds

In June 2021, FDV acquired the remaining 49% interest in InfoCasas it did not own (see ASX announcement, *FDV moves to 100% of InfoCasas*, 9 June 2021) and, in December 2021, FDV moved from 26% to 100% ownership in Encuentra24 (see ASX announcement, *Increase in Encuentra24 ownership and capital raising*, 17 December 2021). Each transaction involved FDV agreeing to certain contingent consideration payments. In October 2022, key selling shareholders of InfoCasas and Encuentra24 entered into subscription agreements to exchange a minimum proportion of their expected future contingent consideration payments for equity in the FDV LATAM holding company (see ASX announcement, *FDV LATAM strategy update*, 6 October 2022). This exchange is subject to satisfaction of certain conditions and the parties are also in discussions with the key shareholders regarding whether the equity will be issued by the FDV LATAM holding company or FDV. Assuming that the conditions are satisfied and the key shareholders elect to exchange the minimum proportion of the anticipated final cash consideration payment for equity (either in FDV LATAM or the Company), the final cash component of the contingent consideration payment for the acquisitions of InfoCasas and Encuentra24, is approximately A\$26.1m.²

The A\$13.0m raised from the institutional placement, along with the funds to be raised from the SPP, will be used to partially fund the final cash contingent consideration payment owed to the key shareholders of InfoCasas and Encuentra24, with the balance of the cash consideration payments funded from existing cash reserves.

Trading update

Portfolio EBITDA on a FDV % share basis in \$A increased in January and February 2023 relative to January and February 2022. Over this period:

- FDV LATAM delivered positive and improved EBITDA;
- FDV Asia delivered positive EBITDA – Zameen's revenue was down but it remained EBITDA positive; and
- FDV MENA improved EBITDA and traded around breakeven.

Details of the Capital Raising

The capital raising consists of a non-underwritten institutional placement of A\$13.0m (**Placement**) and a non-underwritten share purchase plan to retail shareholders to raise up to approximately

² Please refer to the investor presentation which will be released following this announcement for further information in relation to the earn out payment exchanges.

A\$2.0m³ (**SPP**) to raise gross proceeds of up to A\$15.0m (the Placement and SPP together, the **Capital Raising**).

The offer price of new fully paid ordinary shares in FDV to be issued under the Placement (**Placement Shares**) is A\$0.56 per Placement Share (**Offer Price**), which represents a:

- 19.4% discount to the closing price of FDV shares of A\$0.695 on Friday, 31 March 2023 (being the last trading day prior to announcement of the Capital Raising); and
- 17.3% discount to the 15-day Volume Weighted Average Price (**VWAP**) of A\$0.677 per share for the period ending on Friday, 31 March 2023 (being the last trading day prior to announcement of the Capital Raising).

Approximately 23.2m New Shares will be issued under the Placement and all shares issued will rank equally with existing FDV ordinary shares on issue.

Vesparum Capital is acting as financial advisor, and Herbert Smith Freehills as legal advisor, to FDV in relation to the Capital Raising. Bell Potter Securities and Morgans Corporate Limited are acting as Joint Lead Managers for the Capital Raising.

Placement

The Placement to institutional, professional and sophisticated investors closed on Tuesday, 4 April 2023, raising gross proceeds of approximately A\$13.0m (before transaction related costs), with 23.2m New Shares to be issued at the Offer Price, representing 6.1% of FDV's existing issued capital. The Placement has been made within FDV's existing 15% placement capacity under ASX Listing Rule 7.1.

The Placement is expected to settle on Wednesday, 12 April 2023, and the New Shares to be issued under the Placement are expected to commence trading the following day on Thursday, 13 April 2023.

Share Purchase Plan

In addition to the Placement, the Company is pleased to offer a SPP to raise up to approximately A\$2.0m. The SPP will be offered to holders of fully paid ordinary shares in FDV as at 7:00pm (AEST) on Tuesday, 4 April 2023 who have a registered address in Australia or New Zealand (**Eligible Shareholders**). The SPP recognises the ongoing support of FDV's retail shareholders and has been sized taking into consideration the make up of FDV's share register. FDV reserves the right to increase the size of the SPP or to scale back applications in its absolute discretion.

Under the SPP, eligible shareholders will have the opportunity to subscribe for up to \$30,000 worth of New Shares. The SPP, which is not underwritten, will be offered at the lower of:

- A\$0.56 per New Share, being the price paid under the Placement; and
- a 2.5% discount to the VWAP of shares traded on the ASX during the five trading days up to (but not including), the date the SPP Shares are to be issued, rounded to the nearest half cent.

The SPP offer is expected to open on Thursday, 13 April 2023. Further details about the SPP will be set out in the SPP offer booklet (**Offer Booklet**), a copy of which FDV expects to lodge with ASX and send to eligible shareholders on Thursday, 13 April 2023. The Offer Booklet will contain instructions

³ FDV may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount in its absolute discretion.

on how to participate in the SPP. Application forms and payments are due by no later than 5pm (AEST) on Thursday, 27 April 2023.

Indicative Timetable*

Record date for SPP	7pm AEST, Tuesday, 4 April 2023
Announcement of Capital Raising and outcome of Placement – trading halt lifted (shares recommence trading on ASX)	Wednesday, 5 April 2023
Settlement of Placement	Before 12pm (AEST), Wednesday, 12 April 2023
Allotment and normal trading of New Shares under the Placement	Thursday, 13 April 2023
SPP offer opens and SPP booklet dispatched	Thursday, 13 April 2023
SPP offer closes	5pm AEST, Thursday, 27 April 2023
Announcement of results of SPP and allotment of New Shares under the SPP offer	Thursday, 4 May 2023
Normal trading of SPP New Shares and dispatch of holding statements	Friday, 5 May 2023

*All dates are subject to change without notice and are indicative only. The commencement of trading and quotation of New Shares issued under the Placement and SPP is subject to confirmation from ASX. Unless otherwise specified, all dates and times refer to time in Melbourne, Australia. FDV reserves the right to amend any or all of these dates and times, subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws and regulations. In particular, FDV reserves the right to extend the closing date for the SPP, to accept late applications under the SPP (either generally or in particular cases) and to withdraw the SPP without prior notice. Any extension of the SPP offer closing date may have a consequential impact on the date that New Shares are issued and commence trading on the ASX. FDV also reserves the right not to proceed with the SPP in whole or in part at any time prior to allotment and issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to applicants. Applicants are encouraged to submit their personalised acceptance forms as soon as possible after the SPP offer opens.

Further information

Further information on FDV's business and the Capital Raising are set out in the '2022 Full Year Results Presentation' released to the ASX on Tuesday, 28 February 2023 and the Investor Presentation which will be released following this announcement. The Investor Presentation contains important information that shareholders should consider including key risks and foreign selling restrictions with respect to the Capital Raising. Any person considering an investment in FDV shares should read the Investor Presentation and the offer booklet (if applicable) and seek their own independent advice before making any decision in this regard.

- ENDS -

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

For more information, please contact:

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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 15 market leading companies, operating across 20 markets in FDV LATAM, FDV Asia and FDV 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.

Important Notice and Disclaimer

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This announcement may not be released or distributed in the United States.

This announcement includes "forward-looking statements" within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "likely", "should", "could", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "project", "forecast", "guidance" or other similar words, and include statements regarding certain plans, unknown risks, uncertainties and other factors, many of which are outside the control of FDV, and its directors, officers, employees, agents, affiliates or advisors. Any forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of FDV and its directors, officers, employees, agents, affiliates or advisors. This includes any statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements may assume the success of FDV's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond FDV's control and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise.

Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. **You are cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by factors such as geopolitical tension.** To the maximum extent permitted by law, FDV (including its subsidiaries), and its directors, officers, employees, agents, affiliates and advisers:

- disclaim any obligations or undertaking to release any updates or revisions to the information in this announcement to reflect any change in expectations or assumptions;
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement;
- disclaim any fiduciary relationship between them and the recipients of this document or the participants in the Capital Raising; and
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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.