

ASX Code: FDV

8 October 2020

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Strategic acquisitions and capital raising

- **FDV has entered into agreements to acquire from Adevinta 100% of the issued capital of:**
 - fincaraiz.com.co (**Fincaraíz**), the leading real estate classifieds portal in Colombia; and
 - avito.ma (**Avito**) and tayara.tn (**Tayara**), the leading general classifieds businesses in Morocco and Tunisia
- **Total cash consideration of ~A\$56m¹ to be funded via a capital raising to raise up to A\$100m at an offer price of A\$1.25 per new share, comprising:**
 - up to A\$63.4m non-underwritten Institutional Placement; and
 - up to A\$36.6m non-underwritten 1 for 9 Pro Rata Accelerated Non-Renounceable Entitlement Offer
- **The acquisitions are expected to make a significant contribution to revenue on an FDV ownership basis and increase scale and diversification across key geographies and verticals**
- **Key profitability inflection point achieved, despite COVID-19, with the current FDV portfolio EBITDA positive across July and August 2020**

Transaction Summary

Frontier Digital Ventures Limited (“**FDV**”, **ASX: FDV** or the “**Company**”) is pleased to announce that it has entered into agreements to acquire 100% of Fincaraíz, Avito and Tayara (together the ‘**Acquisitions**’) from Adevinta for total cash consideration of approximately ~A\$56m.

Fincaraíz joined Schibsted through an acquisition in 2006 and has grown to become the leading real estate marketplace in terms of users, clients, content and brand all across the Colombian market.² Fincaraíz’s strong management team have successfully established a clear leadership position in Colombia and its adjacency to InfoCasas and Encuentra24 creates a potential opportunity for consolidation across LATAM to drive further operational synergies.

Avito is the number one classifieds business in Morocco², with leading positions across general, auto and real estate verticals. Avito has more traffic than any of the current FDV operating companies in FDV’s existing portfolio. The acquisition represents an attractive opportunity to facilitate collaboration between Avito and FDV’s existing operating company Moteur, which are the leaders in used and new car markets in Morocco respectively.

Tayara is the leading general classifieds platform² and a household name in Tunisia. The business has established a strong market leadership position, with a clear first mover advantage. The acquisition of Tayara facilitates FDV’s entry into an attractive market with high rates of GDP growth.

1. Fincaraíz consideration payable in USD assuming a current A\$:US\$ rate of A\$:US\$0.719. Avito and Tayara consideration payable in EUR assuming a current A\$:EUR rate of A\$:EUR0.610

2. Market leadership positions throughout this Presentation are based on SimilarWeb, which ranks websites based on metrics including site visits and average visit duration during September 2020

The clear market leadership positions across the acquisitions, combined with FDV's proven track record, provides a solid foundation for future growth. The acquisitions represent compelling opportunities to extend the market leadership of FDV's operating companies across LATAM and MENA countries. They also increase scale and diversification across key geographies and verticals, strengthening FDV's position as a leading online classifieds player in emerging markets.

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

"The strategic acquisitions of Fincaraíz, Avito and Tayara strengthen FDV's position as a leading operator of online classifieds in emerging markets. They are highly complementary to FDV's existing portfolio and strengthen our market leadership in existing and new adjacent geographies.

FDV's reputation as a strategic partner for online classifieds businesses in emerging markets continues to grow globally, evidenced by this deal with Adevinta as well as Encuentra24's recent combination with OLX's Central American platforms."

Details of the Capital Raising

The capital raising will consist of a non-underwritten Institutional Placement of up to A\$63.4m (**Placement**) and non-underwritten 1 for 9 Pro-Rata Accelerated Non-Renounceable Entitlement Offer of up to A\$36.6m (**Entitlement Offer**) to raise up to A\$100m (together, the **Capital Raising**).

The offer price for the Capital Raising is A\$1.25 per new share (**Offer Price**), which represents a:

- 20.1% discount to the last closing price of A\$1.565 per share
- 2.7% discount to 15-day Volume Weighted Average Price (VWAP) of A\$1.284 per share; and
- 16.2% discount to TERP³.

FDV intends to use the proceeds from the Capital Raising for the following purposes:

- ~A\$56m for the acquisition of 100% of the issued capital of Fincaraíz, Avito and Tayara
- ~A\$44m for further growth capital, balance sheet flexibility and payment of transaction costs

Up to approximately 80.0m new fully paid ordinary shares (**New Shares**) will be issued under the Capital Raising and all shares issued will rank equally with existing FDV ordinary shares on issue. The Placement is expected to complete on Thursday, 8 October 2020 with the institutional component of the Entitlement Offer to be conducted by way of a bookbuild process on Thursday, 8 October 2020 and Friday, 9 October 2020.

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

3. The Theoretical Ex-Rights Price (TERP) is defined as being the theoretical price at which FDV shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which FDV shares trade after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. TERP is calculated by reference to FDV's dividend adjusted closing price of A\$1.565 on 6 October 2020 and is calculated based on the maximum size of the Placement, the Institutional Entitlement Offer and Retail Entitlement Offer

Placement

The Placement to institutions, sophisticated and professional investors, is expected to raise up to A\$63,406,250 (before transaction related costs), with up to 50,725,000 New Shares to be issued at A\$1.25 per New Share (**Offer Price**) under the Placement. The Placement is within the Company's existing placement capacity under ASX Listing Rule 7.1 and 7.1A.

Settlement of the Placement is expected to occur on Thursday, 15 October 2020, with allotment and normal trading of the New Shares issued under the Placement expected on Friday, 16 October 2020.

Entitlement Offer

In addition to the Placement, the company will undertake an Entitlement Offer for existing shareholders at the same price as the Placement to raise up to approximately A\$36.6m. The Entitlement Offer will be conducted in two parts, an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**). The Entitlement Offer is non-renounceable, and entitlements will not be tradable or otherwise transferable.

Eligible shareholders at the Record Date of Monday, 12 October 2020, with a registered address in Australia and New Zealand (**Eligible Shareholders**) will be invited to participate in the Entitlement Offer at the Offer Price.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer, which is being conducted today, Thursday, 8 October 2020 until Friday, 9 October 2020. Eligible institutional shareholders can choose to take up all, or part or none of their entitlements under the Entitlement Offer.

Institutional entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to eligible institutional shareholders who apply for New Shares in excess of their entitlement, as well as to certain other eligible institutional investors who bid into the institutional bookbuild being conducted concurrently with the Institutional Entitlement Offer.

Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia or New Zealand will be invited to participate in the Retail Entitlement Offer at the same Offer Price and offer ratio as under the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Thursday, 15 October 2020 and close at 5:00pm (Sydney time) on Thursday, 29 October 2020. Eligible retail shareholders who take up their entitlement in full can also apply for additional shares in excess of their entitlement under an oversubscription facility.

Further details about the Retail Entitlement Offer will be set out in the retail offer booklet (**Retail Offer Booklet**), a copy of which FDV expects to lodge on Thursday, 15 October 2020. The Retail Offer Booklet and accompanying personalised entitlement and acceptance form will contain instructions on how to apply for the Entitlement Offer. Application forms and payments are due by no later than Thursday, 29 October 2020.

The directors of FDV reserve the right to issue any New Shares not issued in the Retail Entitlement Offer (Shortfall Shares) to new investors or existing shareholders within 3 months of close of the Retail Entitlement Offer at a price no less than the Offer Price. The allocation of Shortfall Shares will be within the complete discretion of FDV, having regard to factors such as FDV's desire for an informed and active trading market, its desire to establish a wide spread of shareholders, the size and type of funds under management of particular investors, the likelihood that particular investors will be long-term shareholders, and any other factors FDV considers appropriate.

The Company's shares will remain in trading halt until completion of the Institutional Entitlement Offer. Normal trading of the Company's shares on the ASX is expected to resume on Monday, 12 October 2020.

Indicative Timetable*

Enter trading halt	Wednesday, 7 October 2020
Placement opens	Wednesday, 7 October 2020
Placement closes	Thursday, 8 October 2020
Announcement of acquisitions and capital raising	Thursday, 8 October 2020
Accelerated Non-Renounceable Entitlement Offer opens	Thursday, 8 October 2020
Accelerated Non-Renounceable Entitlement Offer closes	Friday, 9 October 2020
Announcement of results of Institutional Entitlement Offer and Placement, trading halt lifted, existing shares recommence trading	Monday, 12 October 2020
Record Date for Entitlement Offer	Monday, 12 October 2020
Retail Entitlement Offer Information Booklet and Entitlement & Acceptance Form dispatched	Thursday, 15 October 2020
Retail Entitlement Offer opens	Thursday, 15 October 2020
Settlement of Institutional Entitlement Offer and Placement	Thursday, 15 October 2020
Allotment and Issue of New Shares issued under the Institutional Entitlement Offer and Placement	Friday, 16 October 2020
Quotation of New Shares issued under the Institutional Entitlement Offer and Placement	Friday, 16 October 2020
Retail Entitlement Offer closes	Thursday 29 October 2020
FDV announces results of Retail Entitlement Offer	Tuesday, 3 November 2020
Settlement of Retail Entitlement Offer	Wednesday 4 November 2020
Allotment and Issue of New Shares under the Retail Entitlement Offer	Thursday, 5 November 2020
Quotation of shares issued under the Retail Entitlement Offer and trading commences on a normal basis	Friday, 6 November 2020

* All dates and times are indicative only and subject to change. Unless otherwise specified, all dates and times refer to time in Melbourne, Australia. The Company 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, the Company reserves the right to extend the closing dates for the Retail Entitlement Offer to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date may have a consequential impact on the date that New Shares are issued and commence trading on the ASX. The Company also reserves the right not to proceed with the Entitlement Offer 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 entitlement and acceptance forms as soon as possible after the Entitlement Offer opens.

Trading Update

FDV is pleased to provide a trading update in the accompanying Investor Presentation, which highlights the achievement of a key profitability inflection point, despite COVID-19. The current FDV portfolio (ex. acquisitions) was EBITDA positive across July and August 2020, with all operating companies recording positive or improved EBITDA over that period.

Further Information

Further information on FDV's business, the Acquisitions and the Capital Raising are set out in the Investor Presentation separately lodged with the ASX today. 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 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 Limited.

For more information, please contact:

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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 are experts in the online classifieds space with a particular focus on property and automotive verticals and general classifieds websites. Its 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, FDV is bringing outstanding companies of global significance to their full potential and setting a new global standard of excellence in the field.

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

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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 Frontier, 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 Frontier 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 Frontier’s business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Frontier’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 the COVID-19 pandemic. To the maximum extent permitted by law, Frontier (including its subsidiaries), and its directors, officers, employees, agents, affiliates and advisers:

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