

ASX Code: FDV

7 December 2020

Zameen valuation update

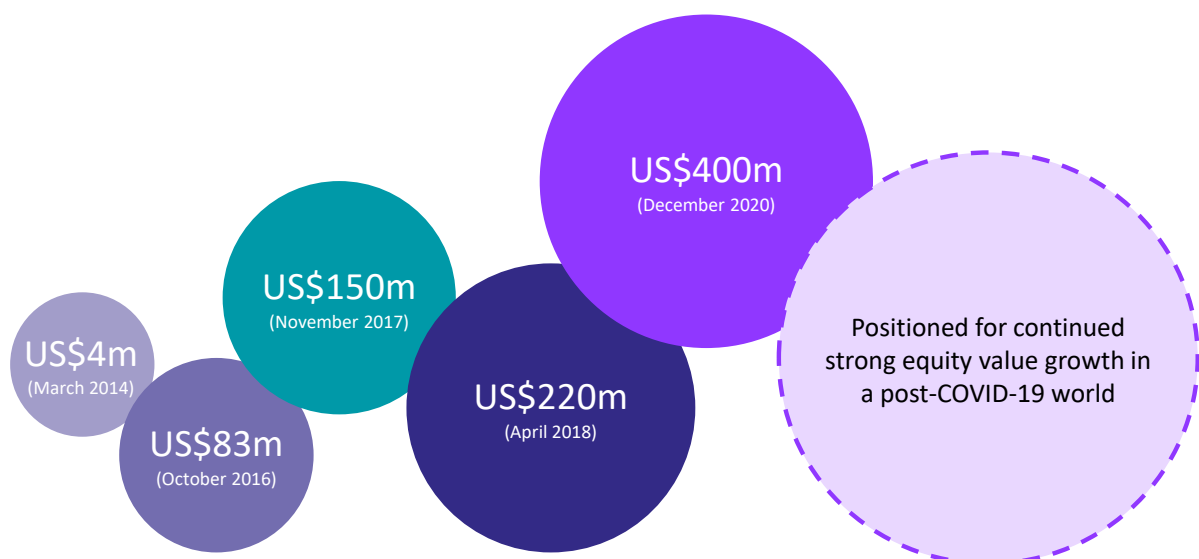
- Zameen has recently completed a US\$3m internal funding round at a \$US400m pre-money equity valuation
- US\$400m valuation represents a 100x increase on the US\$4m valuation at the time of FDV's initial investment in March 2014
- Funding round triggers conversion of the US\$5m convertible note which was issued to existing shareholders in April 2020
- Ongoing support from existing shareholders is a clear endorsement of Zameen's long-term growth strategy

Frontier Digital Ventures Limited ("FDV", ASX: FDV) is pleased to announce that Zameen has recently completed a US\$3m internal funding round. Zameen's two shareholders, Emerging Markets Property Group (EMPG) and FDV both participated on a pro rata basis in a priced round at a pre-money equity valuation for Zameen of US\$400m.

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

"It was an easy decision for FDV to participate on these terms given our view that the round was being conducted at a discount to the market price. We believe Zameen is positioned for continued strong equity value growth in a post-COVID-19 world. The US\$400m valuation represents a 100x increase on the US\$4m valuation at the time of FDV's initial investment in March 2014 and an 82% increase on the last valuation of US\$220m set in April 2018."

Zameen's equity value growth since FDV's initial investment



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Zameen continues to recover following the temporary lockdown measures in Pakistan, reporting A\$9.6m of revenue in 3Q 2020 and positive EBITDA of A\$0.2m. The US\$3m being raised by Zameen will be used to fund a tax charge owing to a local government authority and to provide balance sheet flexibility during the COVID-19 period.

In April 2020, Zameen issued a US\$5m convertible note to existing shareholders. At the time FDV invested US\$0.75m which was 50% of its pro rata entitlement. Conversion at a 20% discount to this US\$400m funding round reduces FDV's shareholding in Zameen from 30.0% to 29.8%.

Also in April 2020, Zameen's parent company, EMPG, merged with OLX Group (a subsidiary of JSE-listed Naspers) in four countries: Pakistan, Egypt, Lebanon and UAE. This transaction was funded through a US\$150m funding round in EMPG, which was led by OLX Group and its existing shareholders. The deal valued EMPG at over US\$1 billion post-transaction. EMPG currently owns the remaining 70.2% of Zameen (among other assets).

The ongoing support from existing shareholders reflects the confidence in Zameen's business model, competitive position and long-term growth strategy. FDV has participated in all previous Zameen funding rounds, with these announced to the ASX on 3 May 2018 ("*Zameen valuation increase*"), 29 November 2017 ("*Valuation uplift further validates FDV Strategy*") and 21 October 2016 ("*FDV participates in Zameen Ltd capital raising*").

The growth in Zameen's equity value is a clear demonstration of the value created by FDV's unique online marketplaces strategy. A key component of this strategy is FDV's partnership with high-growth local businesses and the ongoing support provided to help capitalise on the significant online marketplaces opportunity in emerging markets.

- ENDS -

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 15 market leading companies, operating across 20 markets in Developing Asia, Latin America and Africa. 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.

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