

ASX Announcement

19th October 2022

Camplify enters into a binding agreement to acquire PaulCamper, operator of Germany's leading peer to peer RV rental marketplace, and raises A\$8.5m to fund growth initiatives, including expansion of the global insurance business.

Highlights

- CHL enters into a binding agreement to acquire 100% of the shares of PaulCamper ("**Acquisition**")
- This transformational acquisition will accelerate Camplify's expansion into Europe and transform Camplify into a leading global player in the RV rental market.
- The Acquisition consideration represents a PaulCamper enterprise value of €30m, plus net assets of €880k (total of A\$47.6m¹) with A\$1.8m paid in cash, and A\$45.8m paid in CHL Shares at a 1-month VWAP being A\$1.9624 per Share²
- PaulCamper founder and CEO, Dirk Fehse, will stay on as Head of Camplify's European operations to continue to grow the strong business they have built in the European market
- Camplify will raise A\$8.5m via a two-tranche placement, with a further capped A\$2m to be offered to shareholders via a Share Purchase Plan ("**Equity Raising**").
- Funds raised will be used to enhance and accelerate the PaulCamper insurance broking business to become a Managing General Agency ("**MGA**"), expand the growing Temporary Accommodation Program ("**TAP**"), achieve synergies and working capital.

Strategic Acquisition

This Acquisition facilitates a beachhead entry into the European market, positioning Camplify as a rental marketplace operator in 7 countries throughout Australia, New Zealand, Spain, the UK, the Netherlands, Germany and Austria.

It provides Camplify with the opportunity to integrate existing, higher margin in-house insurance products globally, improving insurance position and enabling a clear pathway to seek regulatory approval. There is also the potential for revenue and cost synergies to be realised through product integration and scale of the combined business, accelerating Camplify's pathway to profitability.

¹ Currency conversion based on AUD/EUR exchange rate of 1.5486

² Shares issued as consideration at an agreed issue price of A\$1.9624 per Share, the 1-month VWAP of Camplify Shares through 13 October 2022

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Strong Strategic Rationale:

- **Transformational Combination:** The Acquisition will double the size of the Camplify business (customers, fleet size, bookings and gross profit). On a pro-forma basis for FY22 the consolidated group would have achieved GTV over A\$111m and revenue of over A\$26m
- **Cementing of Europe:** beachhead acquisition enabling CHL to become a significant operator in Europe including Europe's largest RV market, Germany
- **Insurance Enhancement:** PaulCamper's insurance brokerage will immediately be accretive to margins and be a key growth engine for the business moving forward
- **Acceleration to Profitability:** will accelerate Camplify's pathway to cashflow positivity and profitability– on a pro-forma FY23 basis. PaulCamper is in an EBITDA positive position for CY22

As part of the Acquisition, Camplify will acquire the PaulCamper Insurance Broking division. PaulCamper Insurance Broker GmbH ("**PCIB**") allows PaulCamper to operate as an insurance broker to customers in its current European markets. Camplify intends to extend the current PCIB insurance products and reach to develop a suite of insurance products with a primary focus on existing markets with an intention to expand products and geographies. This is expected to drive take rate, and GP margin improvement. PaulCamper's average brokerage commission on insurance sales is 23%.

Acquisition Details

- The Consideration payable by Camplify for the Acquisition is A\$47.6m¹ (€30.88m)
- Consideration consists of a combination of cash and scrip comprising:
 - A\$1.8m¹(€1.18m) cash
 - 23,450,827 Camplify Shares (valued at A\$45.8m²(€29.62m))and is payable upon completion, estimated to occur in December 2022
- The Acquisition is EBITDA accretive at 28.9% pre-synergies on a pro-forma basis for FY22
- Consideration Shares issued to Sellers are to be subject to voluntary escrow from completion as follows:
 - Non-Management (14,719,113 Shares issued to approx. 20 investor shareholders in PaulCamper)
 - 15% released 2 weeks after HIFY23 release
 - 30% released 2 weeks after FY23 release
 - 55% released 2 weeks after completion anniversary
 - Dirk Fehse (7,383,299 Shares)
 - 3% released 2 weeks after HIFY23 release
 - 7% released 2 weeks after FY23 release
 - 90% released 18 months from completion
 - Franziska Schulz (other founder exiting the business) (1,348,415 Shares)
 - 10% released 2 weeks after FY23 release
 - 90% released 18 months from completion
- The Acquisition is subject to:

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- shareholder approval to be sought at a Camplify General Meeting intended to be held by end of November 2022 ASX Listing Rule 7.1 approval for the consideration Shares
- ASIC relief being obtained in respect of the voluntary escrow arrangements
- PaulCamper retiring its outstanding convertible instruments through the issue of shares
- Other conditions customary for an acquisition of this type
- An indicative timetable for the Acquisition is set out below.

Camplify CEO and Founder Justin Hales commented:

"This acquisition delivers Camplify a strategic and targeted growth opportunity in Europe, securing the largest key market, Germany. It provides Camplify with an excellent team of digital marketplace professionals based in Europe, allowing us as a group to optimise and look for expansion opportunities. I am extremely impressed by the PaulCamper operation, and excited by the ability these transactions provide us to build our business and accelerate our pathway towards cashflow positive position and profitability with significant ability to grow revenue through vertically integrated products"

"We welcome PaulCamper RV owners, travellers and team members to the global Camplify community. As a group we share the vision of creating *van life for all.*"

PaulCamper CEO & Founder Dirk Fehse commented:

"The PaulCamper team, shareholders, and myself are excited about this new opportunity to work alongside Camplify. In 2019 Justin and myself met and discussed our shared vision and desire to create a community of RV owners globally who have the passion to share their RV's. As a business who has secured key markets in Europe, PaulCamper is pleased to take this next step and be a part of a global public company on the journey with Camplify."

Equity Raising Summary

Placement

CHL also announced today the successful completion of an equity raise via a A\$8.5 million institutional placement ("**Placement**") comprising:

- Tranche 1: A\$3.5m placement consisting of 2,115,126 Shares
- Tranche 2: A\$4.9m placement consisting of 2,884,874 Shares, the issue of which is subject to shareholder approval to be sought at a General Meeting intended to be held by the end of November 2022

The Placement was conducted at an issue price of \$1.70, per new fully paid ordinary share, representing a:

- 15.4% discount to the last close on Friday, 14 October 2022; and
- 11.7% discount to the 5-day VWAP of \$1.93

Canaccord Genuity (Australia) Limited and Morgans Corporate Limited acted as Joint Lead Managers and Bookrunners to the Placement.

Funds raised from the Placement will be used for Camplify's expansion as follows:

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- Provides Camplify with the opportunity to enhance insurance services and expand the insurance division. Allows for higher margin in-house insurance products globally
- Provides Camplify with an ability to accelerate TAP services in line with demand from government agencies, and private markets
- Allows Camplify to realise the potential for revenue and cost synergies of the combined Camplify and PaulCamper businesses through product integration and scale of the combined business, accelerating Camplify's pathway to profitability.
- Provides working capital enabling the acceleration to cashflow positive position and profitability with significant ability to grow revenue through vertically integrated products
 - Build a dedicated team and portal to service business to business opportunities Camplify has via its Temporary Accommodation Program;
 - Achieve synergies with PaulCamper and improve revenue and EBITDA position by A\$3.7m

Share Purchase Plan ("SPP")

Following approval by shareholders of the Acquisition and Tranche 2 of the Placement, the Company will also be undertaking a capped A\$2 million SPP. The SPP will enable Camplify shareholders as at the record date of 7:00pm Tuesday, 18 October 2022 with a registered address in Australia or New Zealand ("**Eligible Shareholders**") to apply for CHL Shares at the same price as the Placement, being \$1.70 per CHL Share. Eligible Shareholders will be able to apply for up to A\$30,000 worth of New Shares. Participation in the SPP by Eligible Shareholders is entirely optional.

New Shares issued under the Placement and SPP will rank equally with existing Shares currently on issue.

Further terms and conditions of the SPP will be detailed in an SPP Offer Booklet to be dispatched to Eligible Shareholders and released to the ASX at the commencement of the SPP offer period.

An indicative timetable for the Placement and SPP is set out below.

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Timetable

An indicative timetable for the Acquisition and Equity Raising is set out below. These dates are subject to change.

Event	Date
Record Date for SPP	7:00pm Tuesday, 18 October 2022
Announcement of Acquisition, Placement and SPP	Wednesday, 19 October 2022
Settlement of New Shares issued under Tranche 1 of the Placement	Wednesday, 26 October 2022
Allotment and commencement of trading of New Shares issued under Tranche 1 of the Placement	Thursday, 27 October 2022
General Meeting to approve Acquisition and New Shares to be issued under Tranche 2 of Placement (expected date)	Wednesday, 30 November 2022
Settlement of New Shares issued under Tranche 2 of the Placement	Thursday, 1 December 2022
Allotment and commencement of trading of New Shares issued under Tranche 2 of the Placement	Friday, 2 December 2022
Completion of Acquisition	Friday, 2 December 2022
Dispatch SPP offer booklet and SPP open date	Friday, 2 December 2022
SPP closing date	Thursday, 15 December 2022
Announcement of SPP results	Friday, 16 December 2022
Settlement of New Shares issued under the SPP	Monday, 19 December 2022

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Further Details

Further details regarding the Acquisition can be found on the presentation released on the ASX today.

Camplify will hold an investor update in relation to the Acquisition on Wednesday the 19th of October 2022 at 11.00am AEDT. Please register via this link; <https://s1.c-conf.com/diamondpass/10026027-lvgr65.html>

- Ends -

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About Camplify

Founded in Australia Camplify (ASX: CHL) is one of Australia's leading peer-to-peer (P2P) digital marketplace platforms connecting recreational vehicle (RV) Owners to Hirers. Now with operations in the United Kingdom, New Zealand, and Spain, Camplify has built a platform that delivers a seamless and transparent experience for consumers and potential RV Hirers to connect with RV Owners and SMEs with a fleet of RVs. A wide variety of caravans and campervans are available on Camplify.

This announcement was approved by the Board of Directors of Camplify Holdings Limited.