

**ASX Code: FDV**

28 July 2017

**Record quarterly revenue performance**

Frontier Digital Ventures Limited ("Frontier", ASX: FDV) is pleased to announce its Second Quarter 2017 ("2Q 2017") results.

**Highlights**

- Continued rapid quarterly portfolio revenue growth to A\$5.7m (100% basis) in 2Q 2017 (up 76% on 2Q 2016 revenues of A\$3.2m)
- Zameen surpasses milestone of A\$5.0m revenue for 1H 2017
- Investments made into two leading South East Asian online classifieds portals at the monetisation stage; AutoDeal (US\$1.1m) and Propzy (US\$0.8m)
- Call option in Encuentra24.com exercised during the quarter, increasing ownership from 38.7% to 42.1% for a cash payment of US\$1.1m
- Strong balance sheet maintained with cash on hand at 30 June 2017 of A\$20.1m
- 2Q 2017 results demonstrate the continued success of Frontier's implementation and optimisation of the online classifieds v2.0 business model across its portfolio

**Frontier's CEO and Founder, Shaun Di Gregorio said:** "Our rapid revenue growth rate continued in 2Q 2017, up 76% on 2Q 2016 with strong performance across our portfolio. Our key investments continued to outperform, with Zameen revenues reaching A\$2.6m in 2Q 2017 and A\$5.0m for the half year.

*Looking ahead, as we continue to get closer to transactional focused revenue opportunities, our short-term focus is to unlock ancillary revenue streams across our portfolio which includes valuation data, home and vehicle inspection services, commissions from selling insurance and financing services."*

**REVENUE PERFORMANCE**

Record quarterly revenues were a highlight of the quarter, with total portfolio revenues of A\$5.7m (100% basis, unaudited).

Revenue for the half year ended 30 June 2017 ("1H 2017") increased to A\$10.9m (100% basis, unaudited and including new deals), up +83% on 1H 2016 and up +35% on 2H 2016.

Figure 1: Quarterly revenue across portfolio and statutory cash receipts (A\$m)

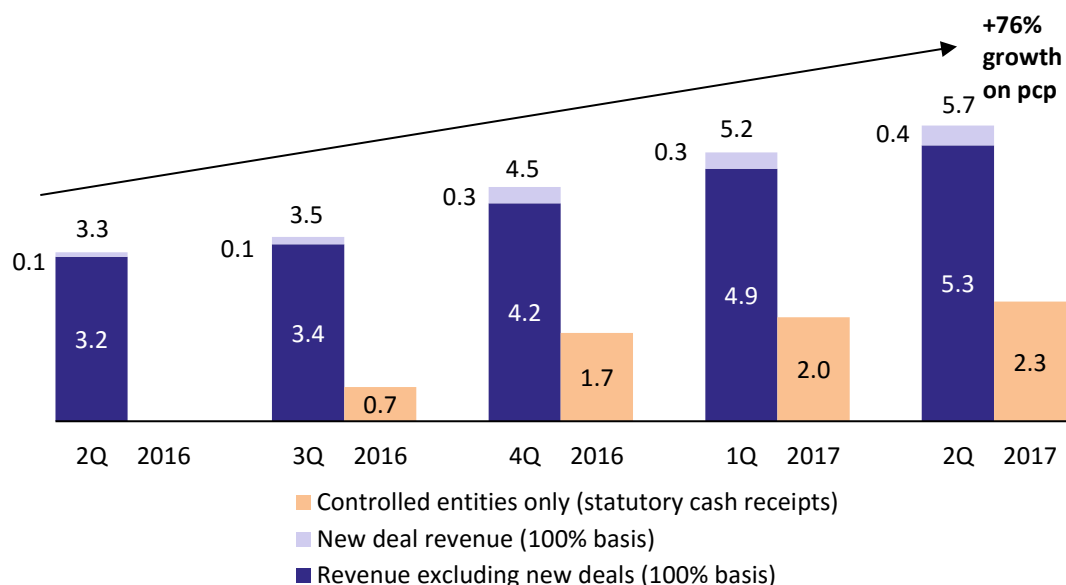


Table 1: Quarterly revenues by business (pro-forma unaudited, standalone basis)

	Frontier ownership (%)	2Q 2016 Revenue A\$ (100% basis)	2Q 2017 Revenue A\$ (100% basis)	Growth (%)
Afribaba	65%	5,491	20,591	+275%
carsDB	76%	21,071	35,788	+70%
carWangu	60%	-	672	n/a
casaMozambique	42%	839	12,837	+1,430%
Encuentra24.com	42%	1,296,409	1,785,707	+38%
IMCongo	66%	1,795	6,426	+258%
iMyanmarhouse	43%	198,825	253,130	+27%
LankaPropertyWeb	48%	28,680	61,604	+115%
meQasa	66%	-	34,746	n/a
TechAfrica	60%	-	-	n/a
ToLet	39%	40,224	55,923	+39%
<b>Subtotal (consolidated investments)</b>		<b>1,593,334</b>	<b>2,267,425</b>	<b>+42%</b>
Associates				
- Zameen	30%	1,315,150	2,625,194	+100%
- Other associates		252,925	445,861	+76%
<b>Total revenue (excluding new deals)</b>		<b>3,161,409</b>	<b>5,338,480</b>	<b>+69%</b>
AutoDeal	33%	83,470	217,755	+161%
Propzy	21%	937	162,060	+17,189%
<b>Total revenue (including new deals)</b>		<b>3,245,816</b>	<b>5,718,295</b>	<b>+76%</b>

## OPERATIONAL PERFORMANCE

Monthly sessions (also known as site visits) are one of a number of leading indicators of brand position within a market. Frontier has a clear focus on increasing higher quality, free or non-paid sessions (direct to URL, organic searching) and actively limits reliance on paid sources (pay per click strategies).

Aggregate monthly sessions increased by 16% across Frontier's portfolio over the last 12 months.

**Table 2: Monthly sessions by business (Google Analytics, standalone basis)**

	Frontier ownership (%)	June 2016 sessions (#)	June 2017 sessions (#)	Growth (%)
Afribaba	65%	414,467	467,263	+13%
carsDB	76%	635,030	869,352	+37%
carWangu	60%	6,753	16,432	+143%
casaMozambique	42%	7,073	32,551	+360%
Encuentra24.com	42%	5,512,416	6,650,525	+21%
IMCongo	66%	38,767	25,571	-34%
iMyanmarhouse	43%	415,716	300,260	-28%
LankaPropertyWeb	48%	271,452	311,740	+15%
meQasa	66%	24,244	63,011	+160%
TechAfrica	60%	22,367	24,359	+9%
ToLet	39%	69,808	256,845	+268%
<b>Subtotal (consolidated investments)</b>		<b>7,418,093</b>	<b>9,017,909</b>	<b>+22%</b>
Associates				
- Zameen	30%	2,735,888	3,025,589	+11%
- Other associates		6,561,540	6,758,942	+3%
<b>Monthly sessions (excluding new deals)</b>		<b>16,715,521</b>	<b>18,802,440</b>	<b>12%</b>
AutoDeal	33%	909,437	1,645,513	+81%
Propzy	21%	41,659	63,930	+53%
<b>Monthly sessions (including new deals)</b>		<b>17,666,617</b>	<b>20,511,883</b>	<b>+16%</b>

**CarsDB**, the #1 automotive portal in Myanmar, continued its strong operational and financial performance. Monthly sessions increased +37% yoy to June 2017, in turn helping drive revenue growth +70% to A\$35,788 in 2Q 2017. **CarsDB** continues to benefit from evolving government policies which have reduced regulatory hurdles for new car imports and increasing mobile penetration rates: now 75.7% across its population of 53m (2016, World Bank).

**LankaPropertyWeb**, the #1 property portal in Sri Lanka, posted strong revenue growth in 2Q 2017 to A\$62k (up 115% on 2Q 2016). This is a direct result of a focus on listings growth and leads as part of Frontier's operational optimisation process. Superior operational execution in 2017 has positioned **LankaPropertyWeb** as the clear market leader ahead of Lamudi and ikman.lk.

During the quarter the Frontier management team continued to work closely with its portfolio companies to ensure the on-going rollout of initiatives that get closer to transaction-focused revenue opportunities, while continuing to unlock ancillary revenue streams across the portfolio (i.e.

valuation data, home and vehicle inspection services, commissions from selling insurance and financing services).

## PORTFOLIO MANAGEMENT

Frontier continues to actively manage its portfolio and considers opportunities to increase or divest its current holdings, as well as evaluating new investments in line with the Company's stated strategy.

### Activity within the existing portfolio

During 2Q 2017, Frontier exercised an option to increase its ownership in **Encuentra24.com**, the leading online classifieds portal in Central America, from 38.7% to 42.1%. Frontier completed the option exercise payment of US\$1,051,095 in 2Q 2017 from existing cash reserves.

### New investments and opportunities

Frontier announced it acquired interests in two leading South East Asian online classified portals during 2Q 2017 (*refer to ASX announcement dated 5 June 2017*). The investments were made into **AutoDeal**, the #1 new car sales platform in the Philippines, and **Propzy**, Vietnam's leading transaction focused classifieds business. It is important to note that both **AutoDeal** and **Propzy** are already monetising their leading market positions and have moved into Frontier's tier 1 monetisation category. Both investments were in line with Frontier's near-term goal of bringing 10 portfolio businesses into the monetisation stage.

### Opportunities to monetise existing investments

Frontier's Board and management team remain focused on working towards the optimal monetisation outcome for each portfolio asset. Potential options include a trade sale, IPO or sell down to existing shareholders with a focus on increasing shareholder value.

## NOTE: UNDERLYING VS STATUTORY ACCOUNTING

The 2Q 2017 Appendix 4C statement released alongside this announcement reports the statutory cash flows for the 3 month period ended 30 June 2017. Due to the nature of Frontier's investment portfolio there is a difference between the economic interest in group cash receipts and statutory cash receipts reported. The current portfolio contains 13 investments which are accounted for on a consolidated basis (including Encuentra24.com) and 4 investments (including Zameen) which are reported as "associates" under the equity method in AASB 128. During the quarter casaMozambique was transitioned to a consolidated investment for accounting purposes.

The statutory accounts have been prepared on the basis of a mix of consolidated and equity accounted investments in accordance with the relevant accounting standards.

As a result, revenue from equity accounted investments are excluded from the statutory receipts. Using Zameen as an illustration:

	<b>2Q 2017 revenue (A\$)</b>
Standalone revenue for 2Q 2017 (Zameen only)	2,625,194
Frontier's economic share (currently owns 30% of Zameen)	787,558
Statutory revenue (Zameen excluded from statutory accounts)	0

The statutory figures report 100% of consolidated business financials, using Encuentra24.com as an illustration:

	<b>2Q 2017 revenue (A\$)</b>
Standalone revenue for 2Q 2017 (Encuentra24.com only)	1,785,707
Frontier's economic share (currently owns 42.1% of Encuentra24.com)	751,783
Statutory revenue (100% of revenue recognised in statutory accounts)	1,785,707

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**About Frontier Digital Ventures Limited**

Frontier Digital Ventures 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, Frontier Digital Ventures 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 17 market leading companies, operating businesses across 19 markets. With the extensive support offered to the local operating companies, coupled with their own energy and work ethic, Frontier Digital Ventures is bringing outstanding companies of global significance to their full potential and setting a new global standard of excellence in the field.