

**ASX Code: FDV**

27 October 2017

**+81% portfolio revenue growth on pcp**

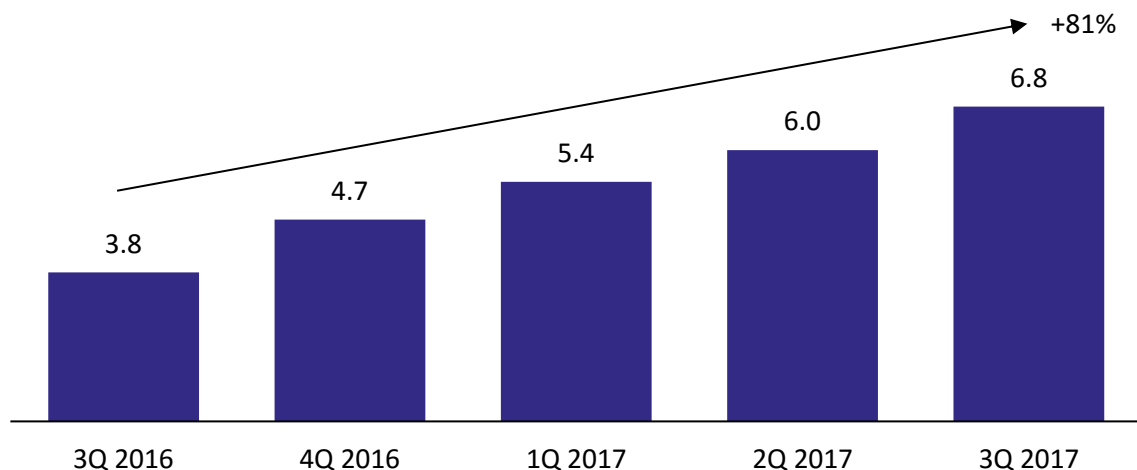
Frontier Digital Ventures Limited (“Frontier”, ASX: FDV) is pleased to announce its Third Quarter 2017 (“3Q 2017”) results.

- Standout revenue growth from Zameen (+107% on pcp) and Pakwheels (+114%)
- Record quarterly portfolio revenue growth to A\$6.8m (100% basis) in 3Q 2017 (up +81% on 3Q 2016 revenues of A\$3.8m)
- Frontier’s equity share of revenue was A\$2.3m for the quarter (up +136% on 3Q 2016)
- Consistent revenue growth highlights the strength of Frontier’s portfolio approach and strategy of partnering with local entrepreneurs
- Investment made into Infocasas during the quarter; the #1 property portal in both Uruguay and Paraguay and the #2 property portal in Bolivia
- Cash balance at 30 September 2017 of A\$16.3m

**Frontier’s CEO and Founder, Shaun Di Gregorio said:** “We are pleased with the consistently strong revenue growth we have experienced across our portfolio over the last 12 months. Since IPO in August 2016, our quarterly revenues have increased by +81%.”

“The growth also highlights our ability to identify high quality investments in each target market, and the ability of our entrepreneur partners to execute on a clear strategy of revenue growth and business optimisation. We will continue to diligently manage our portfolio and optimise for long term shareholder value.”

**Figure 1: Quarterly portfolio revenue since IPO (A\$m, pro-forma 100% basis)**



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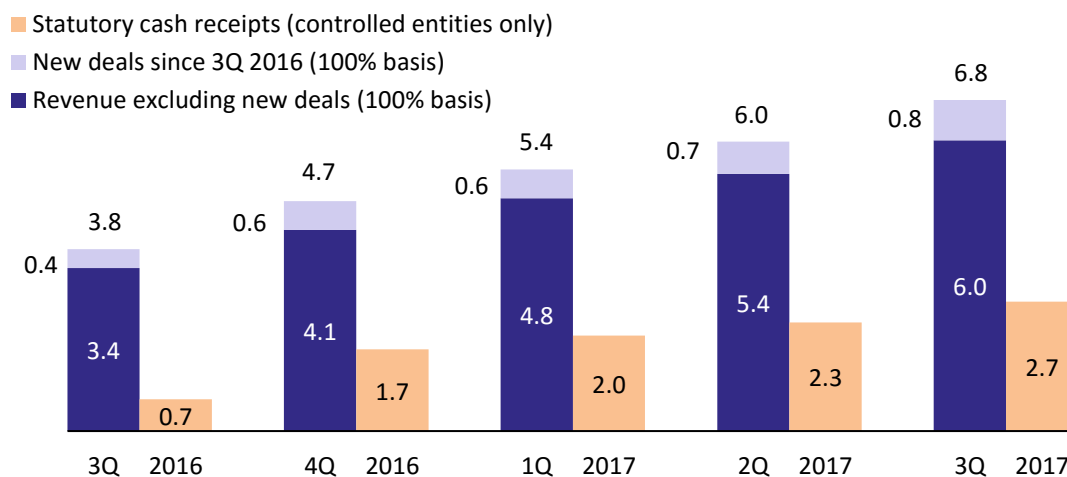
Frontier has released another record quarter of revenue across its portfolio, driven by the continued progression towards monetisation across all of its portfolio businesses. Total portfolio revenues increased to A\$6.8m (100% basis, unaudited).

Frontier's equity share of portfolio revenues increased to A\$2.3m for the quarter (A\$9.3m on an annualised basis).

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

	Frontier ownership (%)	3Q 2016 Revenue A\$ (100% basis)	3Q 2017 Revenue A\$ (100% basis)	Growth (%)
Afribaba	65%	6,851	26,706	+290%
AutoDeal	33%	110,206	218,114	+98%
carsDB	76%	25,622	44,692	+74%
carWangu	60%	-	258	n.m.
casaMozambique	42%	19,694	46,066	+134%
Encuentra24.com	42%	1,347,886	1,774,055	+32%
iMyanmarhouse	43%	113,004	229,830	+103%
LankaPropertyWeb	48%	28,067	72,996	+160%
meQasa	66%	1,725	12,365	+617%
Propzy	21%	35,064	247,078	+605%
TechAfrica	60%	-	-	n.m.
ToLet	39%	29,999	77,025	157%
<b>Subtotal (consolidated investments)</b>		<b>1,718,119</b>	<b>2,749,185</b>	<b>+62%</b>
<b>Associates</b>				
- Zameen	30%	1,566,429	3,247,008	+107%
- Pakwheels	37%	212,671	454,402	+114%
- Infocasas	31%	241,185	322,627	+34%
- Other associates		43,993	58,381	+33%
<b>Total revenue</b>		<b>3,782,397</b>	<b>6,831,603</b>	<b>+81%</b>

**Figure 2: Quarterly revenue across portfolio and statutory cash receipts (A\$m)**



Note:

1. New deals includes Infocasas, AutoDeal and Propzy

## OPERATIONAL PERFORMANCE

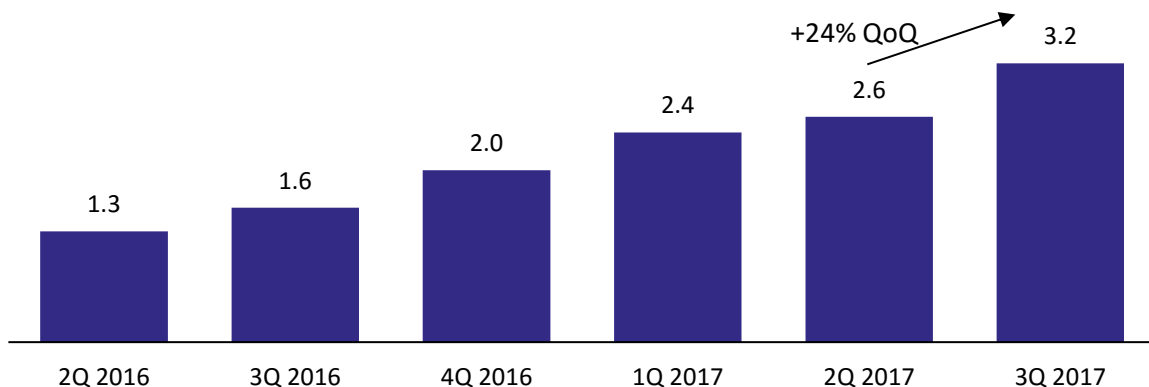
Monthly sessions (also known as site visits) are one of a number of leading indicators of brand position within a market. Frontier has a clear focus on increasing higher quality, free or non-paid sessions and actively limits reliance on paid sources (pay per click strategies).

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

	Frontier ownership (%)	September 2016 sessions (#)	September 2017 sessions (#)	Growth (%)
Afribaba	65%	493,923	458,770	(7%)
AutoDeal	33%	n.a.	1,611,425	n.m.
carsDB	76%	719,922	713,486	(1%)
carWangu	60%	11,700	6,154	(47%)
casaMozambique	42%	33,746	44,433	+32%
Encuentra24.com	42%	6,276,005	6,925,263	+10%
iMyanmarhouse	43%	306,634	552,071	+80%
LankaPropertyWeb	48%	278,576	330,935	+19%
meQasa	66%	39,290	65,284	+66%
Propzy	21%	n.a.	141,283	n.m.
TechAfrica	60%	18,401	26,977	+47%
ToLet	39%	101,329	320,176	+216%
<b>Subtotal (consolidated investments)</b>		<b>8,279,526</b>	<b>11,196,257</b>	<b>+35%</b>
Associates				
- Zameen	30%	2,725,038	3,868,964	+42%
- Pakwheels	37%	4,734,034	5,864,383	+24%
- Infocasas	31%	n.a.	727,459	n.m.
- Other associates		1,989,961	1,691,390	(15%)
<b>Total sessions</b>		<b>17,728,559</b>	<b>23,348,453</b>	<b>+32%</b>

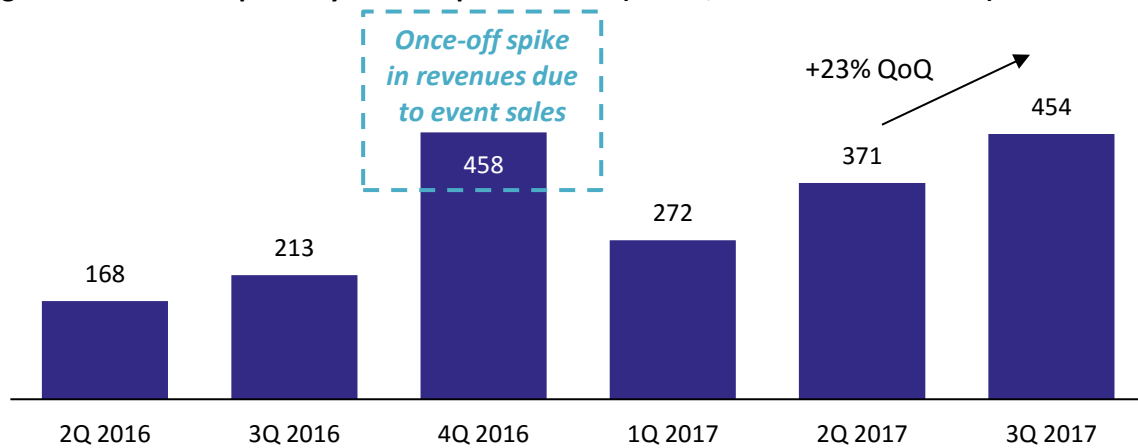
**Zameen**, the #1 property portal in Pakistan, continued its rapid growth in revenues to A\$3.2m for 3Q 2017, an increase of +107% on pcp. Zameen is successfully expanding its transactional revenue streams, with an increase of +612% in 1H 2017 on pcp.

**Figure 3: Zameen quarterly revenue performance (A\$m, 100% basis unaudited)**



**Pakwheels**, the #1 automotive portal in Pakistan, continued its strong operational and financial performance as quarterly revenues increased to A\$454,402. Substantial monetisation progress has been achieved over the last 12 months across the core business and with the launch of their car inspection services among other transactional revenue streams.

**Figure 4: Pakwheels quarterly revenue performance (A\$000, 100% basis unaudited)**



**Propzy** achieved significant revenue growth in 3Q 2017 following its successful focus on increasing transaction volumes through its portal. Propzy is an online classifieds platform that originates and facilitates property sale and leasing transactions in Vietnam. Propzy increased its quarterly revenue to A\$247,078 in 3Q 2017, up from A\$162,060 in 2Q 2017 and A\$122,296 in 1Q 2017.

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.

Frontier is currently in discussions to rationalise a number of its lower tier investments. Frontier's intention is to structure a transaction that would reduce its overall exposure to its lower tier investments while providing greater exposure to its more progressed, monetising assets.

### Activity within the existing portfolio

During 3Q 2017, Frontier rationalised its investment in **IMCongo**, an online property portal in the Democratic Republic of Congo. Under an agreement with Frontier, the IMCongo vendors sold their Frontier shares for A\$242,725 and used the sale proceeds to repurchase Frontier's shareholding in IMCongo. The decision to exit was made by Frontier as a result of its portfolio optimisation process and underperformance of IMCongo relative to the high performance hurdles established across all Frontier's investments.

### New investments and opportunities

During 3Q 2017, Frontier announced it acquired an initial 31.3% interest in **Infocasas** for US\$952k in cash consideration. Infocasas is the #1 property portal in Uruguay and Paraguay and the #2 property portal in Bolivia. The investment was a highly strategic entry into the South American online classifieds market into less competitive geographies. Infocasas is the clear leader in these markets, generating A\$322,627 revenue in 3Q 2017. Frontier also acquired an option to increase its interest in Infocasas to 51% through the acquisition of vendor shares over the next 2 years.

Subsequent to the quarter end, Frontier announced it acquired an initial 20.59% interest in **Hoppler** for US0.7m, an online platform used by vendors, buyers and real estate agents in the Philippines to enable property transactions. Frontier can also increase its ownership to 40.23% for US\$1.03m payable subject to revenue targets.

### 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 3Q 2017 Appendix 4C statement released alongside this announcement reports the statutory cash flows for the 3 month period ended 30 September 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 12 investments which are accounted for on a consolidated basis (including Encuentra24.com) and 6 investments (including Zameen and Hoppler which was acquired subsequent to the quarter end) which are reported as "associates" under the equity method in AASB 128.

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

	<b>3Q 2017 revenue (A\$)</b>
Standalone revenue for 3Q 2017 (Zameen only)	3,247,008
Frontier's economic share (currently owns 30% of Zameen)	974,103
Statutory revenue (Zameen excluded from statutory accounts)	-

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

	<b>3Q 2017 revenue (A\$)</b>
Standalone revenue for 3Q 2017 (Encuentra24.com only)	1,774,055
Frontier's economic share (currently owns 42.1% of Encuentra24.com)	746,327
Statutory revenue (100% of revenue recognised in statutory accounts)	1,774,055

- ENDS -

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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 18 market leading companies, operating businesses across 22 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.

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Table 3: Quarterly revenues by business (FDV share, unaudited)

	Current ownership (%)	3Q 2016 Revenue A\$ (FDV basis)	3Q 2017 Revenue A\$ (FDV basis)	Growth (%)
Afribaba	65%	3,437	17,315	+404%
AutoDeal	33%	-	72,705	n.m.
carsDB	76%	15,389	34,182	+122%
carWangu	60%	-	155	n.m.
casaMozambique	42%	-	19,196	n.m.
Encuentra24.com	42%	341,690	746,327	+118%
iMyanmarhouse	43%	41,845	97,986	+134%
LankaPropertyWeb	48%	8,865	34,859	+293%
meQasa	66%	983	8,186	+732%
Propzy	21%	-	52,010	n.m.
TechAfrica	60%	-	-	n.m.
ToLet	39%	11,674	30,407	+160%
<b>Subtotal (consolidated investments)</b>		<b>423,884</b>	<b>1,113,326</b>	<b>+163%</b>
Associates				
- Zameen	30%	469,929	974,103	+107%
- Pakwheels	37%	74,808	212,850	+185%
- Infocasas	31%	-	-	n.m.
- Other associates		13,782	22,704	+65%
<b>Total revenue</b>		<b>982,403</b>	<b>2,322,983</b>	<b>+136%</b>

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