

ASX Code: FDV

3 November 2017

Acquisition of Jumia portfolio businesses

Frontier Digital Ventures Limited ("Frontier", ASX: FDV) today announces the completion of multiple transactions to significantly upgrade its portfolio of market leading online classifieds businesses in Frontier markets.

Highlights

- **Acquisition of 3 online property classifieds portals from Jumia, a major online classifieds group in Africa**
- **3 acquired portals are all existing competitors to Frontier's current investments in Ghana (meQasa), Nigeria (ToLet) and Angola (AngoCasa)**
- **Frontier will proceed to merge all traffic, listings, agents, advertisers and revenues onto its existing portals and create 3 new clear market leaders**
- **As consideration for the deal Frontier will sell Afribaba and pay US\$500k to Jumia**
- **Transaction significantly strengthens Frontier's overall portfolio by creating 3 market leading investments and providing an exit for Afribaba**
- **The acquisition highlights Frontier's privileged access to corporate opportunities and its ability to transact quickly to add value for its shareholders**

Frontier's CEO and Founder, Shaun Di Gregorio said: *"This transaction was a rare opportunity in the online classifieds space, and we are pleased that Jumia, a major African classifieds investor, reached out to Frontier with a strong desire to acquire Afribaba and complete this transaction."*

"The ultimate result for Frontier shareholders is that we have exited Afribaba and created 3 new market leaders in property verticals across 3 key African markets. meQasa is now a clear market leader in Ghana. ToLet is now a clear market leader in Nigeria. AngoCasa is now a clear market leader in Angola. Our businesses are now in a significantly improved position to commence rapid monetisation in their respective markets."

"It also demonstrates the strength of our entrepreneur-led online classifieds model, which provides a significant advantage over competitors which are fully owned and operated remotely by major online classifieds groups, who lack the requisite local expertise and network."

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About Jumia

Jumia, formerly known as African Internet Group, is a major online classifieds investor operating across Africa. Its portfolio contains investments in 23 countries and has been operating since 2012. Jumia was launched with the support of Rocket Internet, MTN and Millicom

Jumia assets acquired

Under the agreement, Frontier will acquire Jumia's 100% interests in Jumia House Ghana, Jumia House Nigeria and Jumia House Angola ("Jumia Assets"). The **Jumia Assets** have strong listings, sessions and advertiser customer bases and retain strong competitive positions in each of their 3 respective markets. The monthly sessions comparison of each of the **Jumia Assets** is provided below in Table 1.

Table 1: Monthly sessions (June 2017, Google Analytics)

Ghana		Nigeria		Angola	
 meQasa	63,011	 ToLet.com.ng	256,845	 ANGOCASA	12,788
 JUMIA HOUSE	69,993	 JUMIA HOUSE	124,036	 JUMIA HOUSE	28,934








Rationalisation of Afribaba

Frontier has agreed to sell Afribaba to Jumia in return for the Jumia Assets. The decision was made given Jumia's significant interest in acquiring a market leading classifieds horizontal platform in West Africa and from Frontier's perspective has facilitated the creation of 3 market leaders in Ghana, Nigeria and Angola.

Transaction structuring

Frontier has completed a number of successive transactions with **Jumia, meQasa, ToLet, AngoCasa** and **Afribaba** to ultimately vend the **Jumia Assets** into its existing investment.

Table 2: Transaction overview

Portfolio out	Portfolio in	Result
 US\$500k	 Ghana	 #1 position 86% (from 66%) interest
	 Nigeria	 #1 (from #2) position 39% interest
	 Angola	 #1 (from #2) position 75% (from 60%) interest

Integration process

Under the agreement, the Jumia Assets will commence redirecting all traffic through to meQasa, ToLet and AngoCasa. All existing listings will also be migrated on to Frontier's platforms. There will be a comprehensive customer migration process over the next 2 months where existing dealers and agents will be offered new contracts or a roll forward of their existing contracts with Jumia Assets.

It is expected that the integration process will complete within a 6 month timeline.

Portfolio optimisation

The transaction with Jumia has significantly upgraded Frontier's overall portfolio of market leading online classified investments. Frontier now has 12 investments at the monetisation stage (up from 10), and has reduced its investments in pre-monetisation stage businesses (now 3) and the growing operating metrics stage businesses (now 2). The transaction is also a clear demonstration of Frontier's portfolio optimisation process in action.

Table 1: Frontier's current portfolio and key metrics

	Frontier ownership (%)	1H 2017 A\$000 Revenue (100% basis) ¹	Target markets	Target population (m)
Companies currently monetising				
Zameen	30%	5,068	Pakistan	189
Encuentra24.com	42%	3,299	Central America	23
Pakwheels	37%	643	Pakistan	189
iMyanmarhouse	43%	452	Myanmar	54
Infocasas	31%	428	Uruguay, Paraguay, Bolivia	21
AutoDeal	33%	412	Philippines	101
Hoppler	21%	376	Philippines	101
Propzy	21%	284	Vietnam	92
LankaPropertyWeb	48%	129	Sri Lanka	21
carsDB	76%	71	Myanmar	54
ToLet (upgraded)	39%	162	Nigeria	182
meQasa (upgraded)	86%	46	Ghana	28
Pre-monetisation stage				
ToLet	39%	162	Nigeria	182
meQasa	66%	46	Ghana	28
Kupatana	31%	75	Tanzania	53
Moteur	49%	71	Morocco	34
Angocasa/Angolacarr (upgraded)	75%	0	Angola	25
Growing operating metrics				
Angocasa/Angolacarr	60%	0	Angola	25
Casamozambique	42%	144	Mozambique	28
Afribaba (removed)	65%	42	West Africa	61
carWangu	60%	1	DR Congo	77

1. Converted to AUD at an exchange rate of 0.753 AUDUSD

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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 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, 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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