

ASX Code: FDV

29 January 2018

Consistent and strong revenue growth across quarter and full year

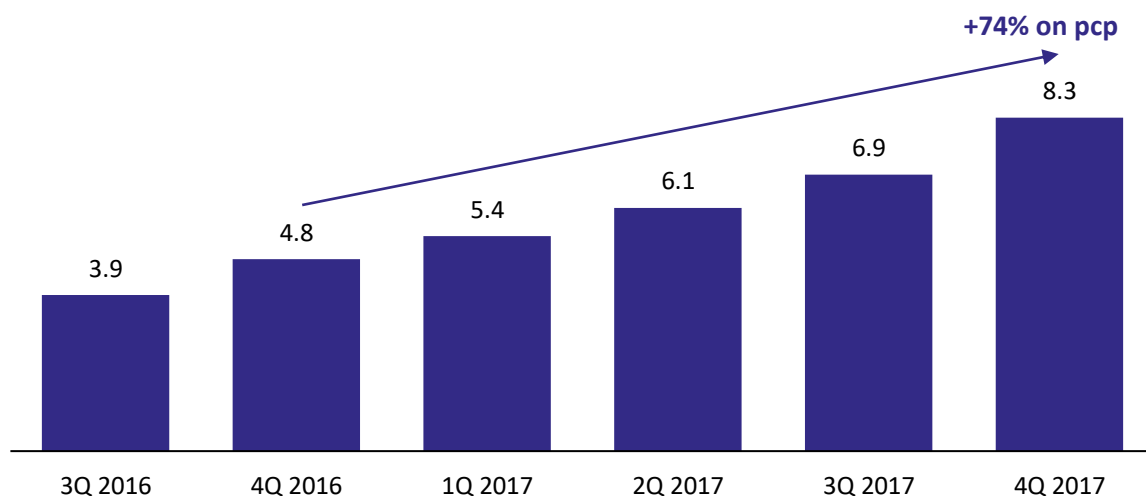
Frontier Digital Ventures Limited (“Frontier”, ASX: FDV) is pleased to announce its Fourth Quarter 2017 (“4Q 2017”) results and revenue for the 12 months ended 31 December 2017 (“FY17”)

- **+76% increase to full year FY17 portfolio revenue to A\$26.7m (100% basis)**
- **Consistent and rapid quarterly portfolio revenue growth continues, up to A\$8.3m (100% basis) in 4Q 2017 (up +74% on 4Q 2016 revenues)**
- **Frontier’s equity share of revenue was A\$3.0m for 4Q 2017 and A\$8.8m for FY17**
- **Mr Anthony Klok, former Director of Carsales and Seek, appointed as new Chairman**
- **Significant portfolio optimisation during the quarter with the acquisition of the Jumia Africa assets and Hoppler, and the withdrawal from carWangu and casaMozambique**
- **All Frontier’s investments now progressed to the tier 1 and 2 stages of monetisation**
- **Cash balance at 31 December 2017 of A\$12.8m**

Frontier’s CEO and Founder, Shaun Di Gregorio said: “We are pleased to see that our portfolio investments continue to progress rapidly towards monetisation across the quarter with total revenue across all our companies up +74% on pcp.

We have significantly upgraded our portfolio composition across 2017 with 12 businesses now at the tier 1 monetisation stage (up from 6 at the end of 2016). We also have managed this growth while prudently exiting our underperforming investments. Most importantly, all our investments are now at the tier 1 and 2 stages of monetisation, with no companies in the tier 3 stage of investment.

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



For personal use only

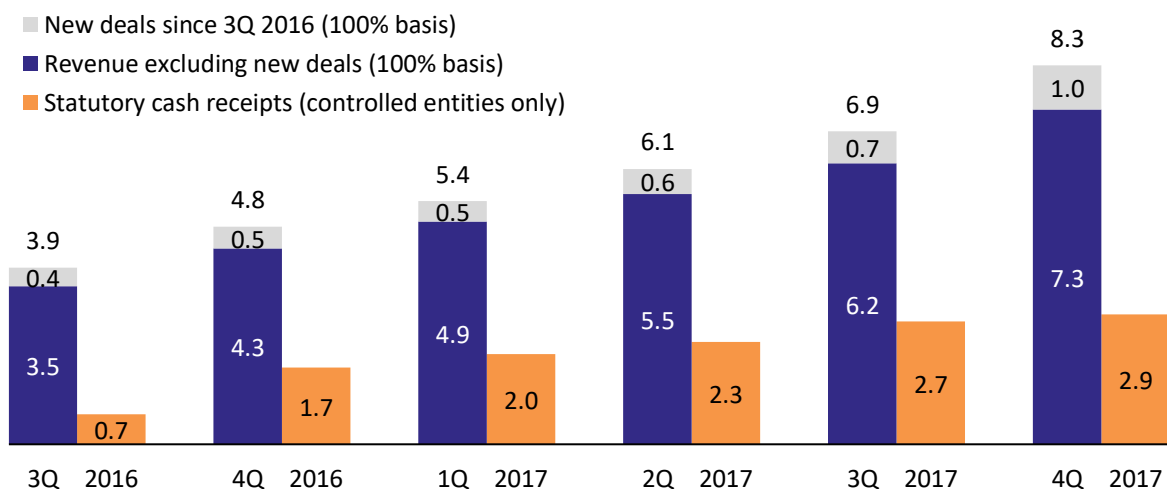
Table 1: Quarterly revenue by business (pro-forma unaudited, standalone basis)¹

	Frontier ownership (%)	4Q 2016 Revenue A\$ (100% basis)	4Q 2017 Revenue A\$ (100% basis)	Growth (%)
AutoDeal	33%	188,540	254,981	+35%
carsDB	76%	32,798	181,035	+452%
Encuentra24	42%	1,197,636	1,544,601	+29%
Hoppler	21%	100,076	82,858	(17%)
iMyanmar	43%	270,779	240,508	(11%)
LankaPropertyWeb	48%	30,803	82,171	+167%
meQasa	86%	8,661	27,993	+223%
Propzy	29%	123,137	394,154	+220%
TechAfrica	75%	0	1,982	n.m.
ToLet	39%	49,462	108,922	+120%
Consolidated investments		2,001,892	2,919,204	+46%
Associates				
Zameen	30%	2,000,164	4,051,626	+103%
Pakwheels	37%	457,571	750,308	+64%
Infocasas	31%	255,354	489,435	+92%
Moteur	49%	32,948	103,182	+213%
Kupatana	31%	43,154	30,016	(30%)
Total revenue		4,791,083	8,331,284	+74%

Note:

1. Excludes investments that have been withdrawn/exited including Afribaba, carWangu, casaMozambique and IMCongo

Figure 2: Quarterly revenue across portfolio and statutory cash receipts (A\$m)¹



Note:

1. New deals since 3Q 2016 includes Infocasas, AutoDeal, Propzy and Hoppler

Table 2: Annual revenue by business (pro-forma unaudited, standalone basis)¹

	Frontier ownership (%)	FY16 Revenue A\$ (100% basis)	FY17 Revenue A\$ (100% basis)	Growth (%)
AutoDeal	33%	458,623	884,940	+93%
carsDB	76%	92,155	296,785	+222%
Encuentra24	42%	5,016,198	6,617,180	+32%
Hoppler	21%	447,202	388,207	(13%)
iMyanmar	43%	737,713	929,070	+26%
LankaPropertyWeb	48%	127,395	284,142	+123%
meQasa	86%	10,386	86,292	+731%
Propzy	29%	159,138	925,587	+482%
TechAfrica	75%	-	1,982	n.m.
ToLet	39%	146,991	348,415	+137%
Consolidated investments		7,195,800	10,762,601	+50%
Associates				
Zameen	30%	5,750,072	12,366,561	+115%
Pakwheels	37%	1,121,485	1,847,756	+65%
Infocasas	31%	824,471	1,357,387	+65%
Moteur	49%	65,445	200,051	+206%
Kupatana	31%	171,255	137,859	(20%)
Total revenue		15,128,527	26,672,215	+76%

Note:

1. Excludes investments that have been withdrawn/exited including Afribaba, carWangu, casaMozambique and IMCongo

PORTFOLIO MANAGEMENT

Frontier has undergone a period of significant portfolio optimisation across 2017, with a number of portfolio upgrades and tier 1 acquisitions.

	December 2016	December 2017
Tier 1 – monetising companies	6	12
Tier 2 – pre-monetisation stage	4	3
Tier 3 – growing operating metrics	5	-

Please refer to Figure 3 for further details on the portfolio movements.

Activity within the existing portfolio

During 4Q 2017, Frontier increased its interest in **Propzy** to 28.6% (up from 21.1%) for US\$0.4m consideration. The investment was triggered as the company rapidly surpassed its revenue milestone agreed with Frontier in June 2017.

Also during 4Q 2017, Frontier announced it would participate in the current **Zameen** funding round on a pro-rata basis. The funding round values the business at a US\$150m pre-money equity valuation, which represents a 38x increase to the US\$4m initial investment valuation in March 2014.

New investments and opportunities

During the quarter, Frontier acquired Jumia's 100% interests in Jumia House Ghana, Jumia House Nigeria and Jumia House Angola ("**Jumia Assets**"). Following the acquisition, Frontier has proceeded to merge all traffic, listings, agents, advertisers and revenues onto its existing portals and create 3 new clear market leaders in **ToLet**, **meQasa** and **Angocasa**. As consideration for the transaction, Frontier sold its interest in Afribaba and will pay an additional US\$500k to Jumia (of which US\$250k has already been paid).

Frontier acquired an initial 20.59% interest in **Hoppler** for US\$0.7m, an online platform used by vendors, buyers and real estate agents in the Philippines to enable property transactions. Under the terms of the investment, Frontier can also increase its ownership to 40.23% for US\$1.03m payable subject to revenue targets.

Figure 3: Portfolio optimisation across FY17

December 2016	December 2017
<p>Tier 1 – monetising assets</p> <hr/> <ul style="list-style-type: none"> Encuentra24 iMyanmarHouse carsBD LankaPropertyWeb Zameen Pakwheels 	<p>Tier 1 – monetising assets</p> <hr/> <ul style="list-style-type: none"> Encuentra24 iMyanmarHouse carsBD LankaPropertyWeb Zameen Pakwheels AutoDeal (new investment Jun 2017) Propzy (new investment Jun 2017) Infocasas (new investment Sep 2017) Hoppler (new investment Oct 2017) ToLet (upgraded Nov 2017) meQasa (upgraded Nov 2017)
<p>Tier 2 – pre-monetisation assets</p> <hr/> <ul style="list-style-type: none"> ToLet meQasa Kupatana Moteur 	<p>Tier 2 – pre-monetisation assets</p> <hr/> <ul style="list-style-type: none"> Kupatana Moteur Angocasa/Angolacarr (upgraded Nov 2017)
<p>Tier 3 – growing operating metrics</p> <hr/> <ul style="list-style-type: none"> Afribaba (exit in Nov 2017) carWangu (exit in Dec 2017) IMCongo (exit in Sep 2017) Angocasa/Angolacarr casaMozambique (exit in Dec 2017) 	<p>Tier 3 – growing operating metrics</p> <hr/>

For personal use only

STRATEGY UPDATE

Frontier announced an update to its portfolio strategy at the end of 2017 following a period of significant operational growth (*refer to ASX announcement dated 20 December 2017*).

The updated strategy has evolved with a bias towards **property investments** due to stronger monetisation potential and the expertise of Frontier’s management. In line with this bias, 3 out of the 4 new businesses added in 2017 were property investments (Infocasas, Propzy and Hoppler).

Frontier also announced a narrowed geographical focus with a priority of **developing Asia (ex China and India), Central and South America, and Africa**. In line with this focus, 3 out of 4 new businesses added in 2017 were Asian classifieds in developing markets (Hoppler/Philippines, Propzy/Vietnam and AutoDeal/Philippines).

Another important component of Frontier’s strategy continues to be the establishment of clear market leadership for each of its portfolio investments. This aim was achieved and extended across 2017 with 13 out of 15 portfolio investments now holding the #1 market position by sessions (also known as site visits). Notwithstanding this achievement, Frontier continuously assesses opportunities to further extend market leadership, and is involved in a number of discussions with select portfolio companies to fund a potential consolidation or asset swap to further their market leadership position.

Figure 4: Four focus areas of Frontier’s updated portfolio strategy



PROGRESS TOWARDS MONETISATION

Frontier is increasingly focused on monetising its portfolio from a rational perspective in the interests of all shareholders. There are a number of monetisation options available to Frontier, for both its individual investments and groups of investments, which include (but not limited to):

- Sell down to existing shareholders
- Sale to financial investors
- Tranche sale to new shareholders
- Trade sale to strategic investors
- Initial Public Offering (or listing via a reverse takeover)
- Merger with a competitor

For personal use only

OPERATIONAL HIGHLIGHTS

The operational and revenue performance of **Pakwheels**, **Propzy** and **Infocasas**, who recorded strong performance in 4Q 2017, are provide below:

Pakwheels, the #1 automotive online platform in Pakistan, continued its strong operational and financial performance as quarterly revenues increased to A\$750,308

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.

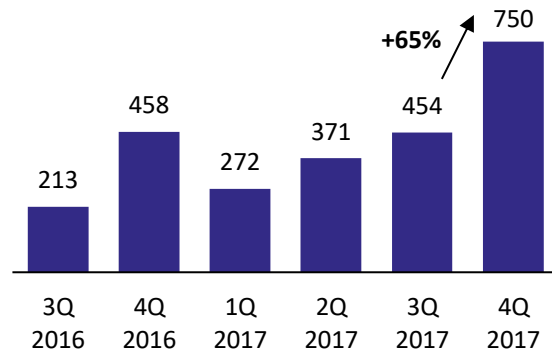
Propzy achieved significant revenue growth in 4Q 2017 following its successful focus on increasing transaction volumes through its online platform.

Propzy is an online classifieds platform that originates and facilitates property sales and leasing transactions in Vietnam. **Propzy** increased its quarterly revenue to A\$394,154 in 4Q 2017

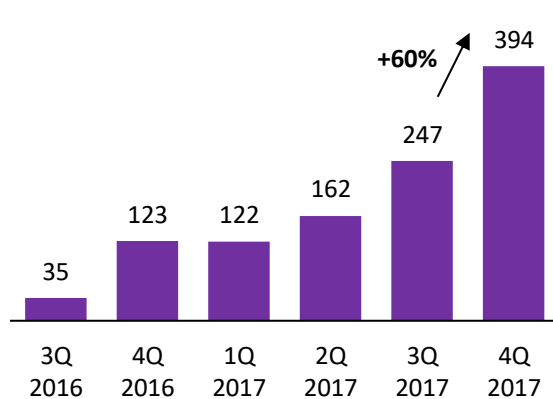
Infocasas, the #1 property platform in Uruguay and Paraguay, continues to demonstrate strong revenue growth as it implements best-practice strategies in conjunction with Frontier’s management team.

Infocasas quarterly revenue increased to A\$489,435 in 4Q 2017, an increase of +45% on last quarter and +92% on pcp

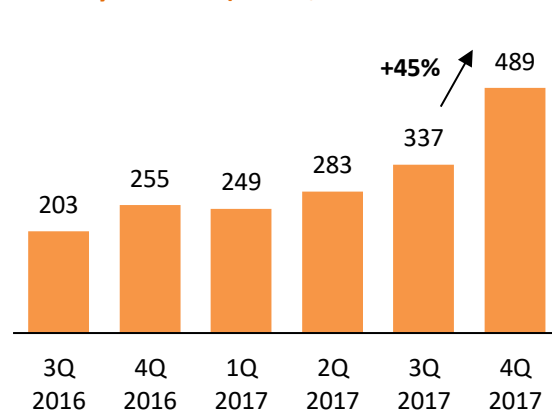
Quarterly revenue (A\$000, 100% basis unaudited)



Quarterly revenue (A\$000, 100% basis unaudited)



Quarterly revenue (A\$000, 100% basis unaudited)



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.

For personal use only

NOTE: UNDERLYING VS STATUTORY ACCOUNTING

The 4Q 2017 Appendix 4C statement released alongside this announcement reports the statutory cash flows for the 3 month period ended 31 December 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 10 investments that are accounted for on a consolidated basis (including Encuentra24.com) and 5 investments (including Zameen) that are reported as "associates" under the equity method in AASB 128.

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

	4Q 2017 revenue (A\$)
Standalone revenue for 4Q 2017 (Encuentra24.com only)	1,544,601
Frontier's economic share (currently owns 42.1% of Encuentra24.com)	649,797
Statutory revenue (100% of revenue recognised in statutory accounts)	1,544,601

Revenue from equity accounted investments are excluded from the statutory receipts. Using Zameen as an illustration:

	4Q 2017 revenue (A\$)
Standalone revenue for 4Q 2017 (Zameen only)	4,051,626
Frontier's economic share (currently owns 30% of Zameen)	1,215,488
Statutory revenue (Zameen excluded from statutory accounts)	-

- ENDS -

For more information, please contact:

Shaun Di Gregorio

Chief Executive Officer

Tel: +60 17 207 6221

Email: shaundig@frontierdv.com

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 15 market leading companies, operating businesses across 15 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.

For personal use only

Table 3: Quarterly revenues by business (FDV share, unaudited)¹

	Current Frontier ownership (%)	4Q 2016 Revenue A\$ (FDV share)	4Q 2017 Revenue A\$ (FDV share)	Growth (%)
AutoDeal	33%	-	84,994	n.m.
carsDB	76%	25,085	138,462	+452%
Encuentra24	42%	430,009	649,797	+51%
Hoppler	21%	-	12,036	n.m.
iMyanmar	43%	115,444	102,539	(11%)
Lanka	48%	11,489	39,241	+242%
meQasa	86%	5,734	22,050	+285%
Propzy	29%	-	103,039	n.m.
TechAfrica	75%	-	1,486	n.m.
ToLet	39%	19,526	42,999	+120%
Consolidated investments		607,287	1,196,643	+97%
Associates				
Zameen	30%	600,049	1,215,488	+103%
Pakwheels	37%	168,578	351,458	+108%
Infocasas	31%	-	153,348	n.m.
Moteur	49%	15,493	50,214	+224%
Kupatana	31%	13,471	9,338	(31%)
Total revenue		1,404,879	2,976,489	+112%

Note:

1. Excludes investments that have been withdrawn/exited including Afribaba, carWangu, casaMozambique and IMCongo

Table 4: Annual revenues by business (FDV share, unaudited)¹

	Current Frontier ownership (%)	2016 Revenue A\$ (FDV share)	2017 Revenue A\$ (FDV share)	Growth (%)
AutoDeal	33%	-	182,056	n.m.
carsDB	76%	55,080	226,992	+312%
Encuentra24	42%	1,235,632	2,696,390	+118%
Hoppler	21%	-	12,036	n.m.
iMyanmar	43%	267,380	396,102	+48%
Lanka	48%	40,926	130,605	+219%
meQasa	86%	6,717	60,644	+803%
Propzy	29%	-	163,518	n.m.
TechAfrica	75%	-	1,486	n.m.
ToLet	39%	42,737	137,542	+222%
Consolidated investments		1,648,473	4,007,372	+143%
Associates				
Zameen	30%	1,725,022	3,709,969	+115%
Pakwheels	37%	395,296	801,219	+103%
Infocasas	31%	-	188,130	n.m.
Moteur	49%	25,890	97,356	+276%
Kupatana	31%	53,460	42,923	(20%)
Total revenue		3,848,142	8,846,968	+130%

Note:

1. Excludes investments that have been withdrawn/exited including Afribaba, carWangu, casaMozambique and IMCongo