

**ASX Code: FDV**

26 April 2018

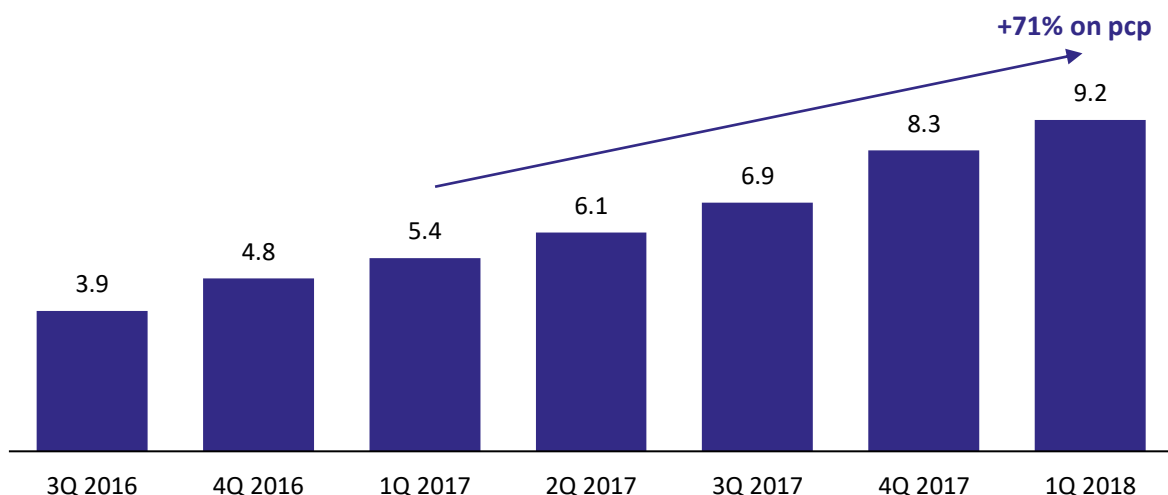
**Consistent revenue growth and progress towards profitability**

Frontier Digital Ventures Limited (“FDV”, ASX: FDV) is pleased to announce its First Quarter 2018 (“1Q 2018”) results for the 3 months ended 31 March 2018.

- **+71% increase in quarterly portfolio revenue to A\$9.2m (100% basis)**
- **+99% increase in FDV’s equity share of revenue to A\$3.3m in 1Q 2018**
- **Encuentra24, Infocasas and LankaPropertyWeb recorded positive EBITDA in the month of March**
- **Approximately half of FDV’s existing portfolio companies are expected to achieve cash flow breakeven in the next 18 months**
- **Strong balance sheet with cash of A\$9.6m at 31 March 2018**

**Frontier’s CEO and Founder, Shaun Di Gregorio said:** “It is pleasing to see three of our portfolio companies recorded positive unaudited EBITDA in the month of March, and another five recorded an EBITDA loss of less than US\$20k each in the same month. The strong financial performance achieved in 1Q 2018 represents a major milestone for FDV, which we believe marks an important inflection point from a balance sheet and equity value perspective. We are seeing an increase in monetisation opportunities as our portfolio companies progress towards profitability.”

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



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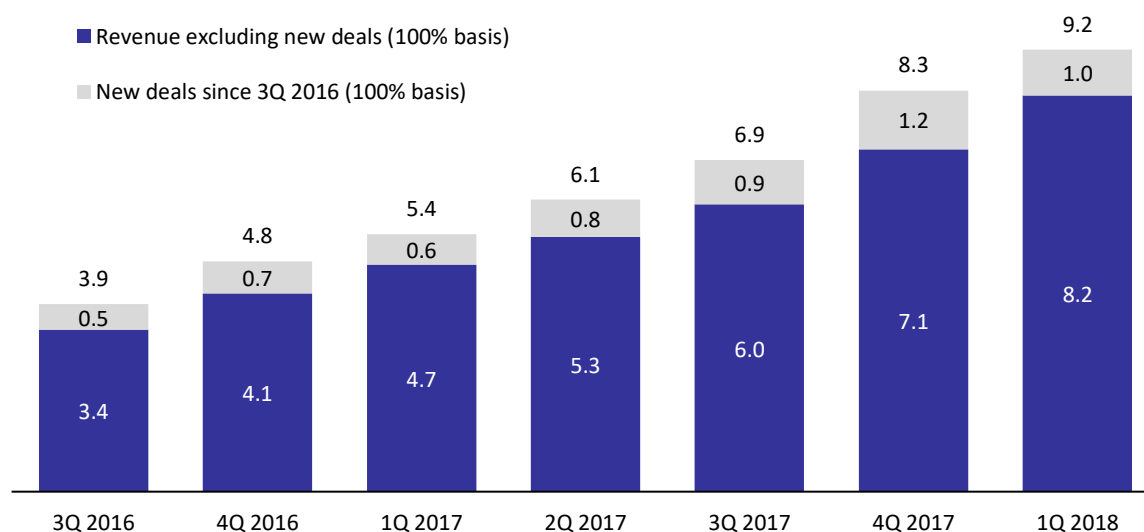
Table 1: Quarterly revenue by business (pro-forma unaudited, standalone basis)<sup>1</sup>

	FDV ownership (%)	1Q 2017 Revenue A\$ (100% basis)	1Q 2018 Revenue A\$ (100% basis)	Growth (%)
<b>Consolidated investments<sup>2</sup></b>				
AutoDeal	33%	194,091	239,573	+23%
carsDB	76%	35,270	166,606	+372%
Encuentra24	42%	1,512,817	1,799,154	+19%
Hoppler	21%	74,545	127,064	+70%
iMyanmar	43%	199,337	265,012	+33%
LankaPropertyWeb	48%	67,372	147,713	+119%
meQasa	86%	11,188	62,364	+457%
Propzy	29%	122,296	95,098	(22%)
TechAfrica	75%	-	22,202	n.m.
ToLet	39%	106,545	73,932	(31%)
<b>Associates<sup>2</sup></b>				
Zameen	30%	2,442,733	5,165,683	+111%
Pakwheels	37%	272,459	454,307	+67%
Infocasas	31%	271,705	491,856	+81%
Moteur	49%	23,833	55,124	+131%
Kupatana	31%	47,223	26,550	(44%)
<b>Total revenue</b>		<b>5,381,412</b>	<b>9,192,239</b>	<b>+71%</b>

Note:

1. Excludes investments that have been withdrawn/exited including Afribaba, carWangu, casaMozambique and IMCongo
2. Accounting treatment as at 31 March 2018

Figure 2: Quarterly revenue across portfolio<sup>1</sup>



Note:

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

Table 2: Quarterly revenue by business (pro-forma unaudited, FDV equity basis)<sup>1</sup>

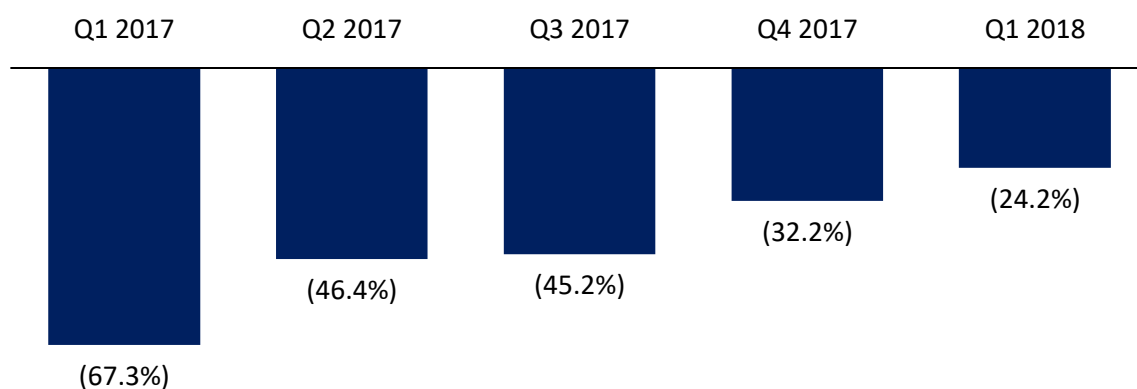
	FDV ownership (%)	1Q 2017 Revenue A\$ (FDV basis)	1Q 2018 Revenue A\$ (FDV basis)	Growth (%)
<b>Consolidated investments<sup>2</sup></b>				
AutoDeal	33%	-	79,858	n.m.
carsDB	76%	26,975	127,426	+372%
Encuentra24	42%	585,250	756,885	+29%
Hoppler	21%	-	26,160	n.m.
iMyanmar	43%	84,986	112,986	+33%
LankaPropertyWeb	48%	27,086	70,541	+160%
meQasa	86%	7,407	53,758	+626%
Propzy	29%	-	27,171	n.m.
TechAfrica	75%	-	16,652	n.m.
ToLet	39%	42,060	29,186	(31%)
<b>Associates<sup>2</sup></b>				
Zameen	30%	732,820	1,549,705	+111%
Pakwheels	37%	100,379	212,806	+112%
Infocasas	31%	-	154,106	n.m.
Moteur	49%	11,598	26,826	+131%
Kupatana	31%	14,726	8,260	(44%)
<b>Total revenue</b>		<b>1,633,288</b>	<b>3,252,325</b>	<b>+99%</b>

Note:

1. Excludes investments that have been withdrawn/exited including Afribaba, carWangu, casaMozambique and IMCongo
2. Accounting treatment as at 31 March 2018

FDV's consistent revenue growth since IPO has reduced the relative EBITDA loss in consecutive periods. Given the scalable nature of online classifieds investments, FDV expects the relative EBITDA loss to continue to reduce and subsequently turn positive as revenue expands.

Figure 3: Portfolio EBITDA as a % of revenue (FDV equity basis)



## PORTFOLIO MANAGEMENT

FDV has undergone a period of significant portfolio optimisation over the last 12 months, with a number of portfolio upgrades and tier 1 acquisitions.

	March 2017	March 2018
Tier 1 – monetising companies	7	12
Tier 2 – pre-monetisation stage	3	3
Tier 3 – growing operating metrics	5	Nil

### Activity within the existing portfolio

During 1Q 2018, FDV increased its interest in Moteur to 56.6% (up from 48.67%) for US\$0.3m consideration. The investment was made through FDV’s participation in a new funding round and acquisition of vendor shares. On its current growth trajectory, Moteur is expected to be the next portfolio company to be upgraded to tier 1 portfolio status. FDV expects that it will consolidate Moteur for accounting purposes due to its increased interest.

Subsequent to the quarter end, FDV announced that an external strategic investment has been made into Propzy, Vietnam’s leading transactional focused classifieds business. Under the terms of the investment, Insignia Venture Partners (<http://www.insignia.vc/>) are investing US\$2.0m into Propzy.vn at a pre-money valuation of US\$5.0m (up 66% from US\$3.0m in June 2017). FDV’s equity interest in Propzy.vn will reduce from 28.6% to 20.4% once the transaction is completed. FDV expects that the accounting treatment for Propzy will change to equity accounting as a result of the reduced equity ownership level.

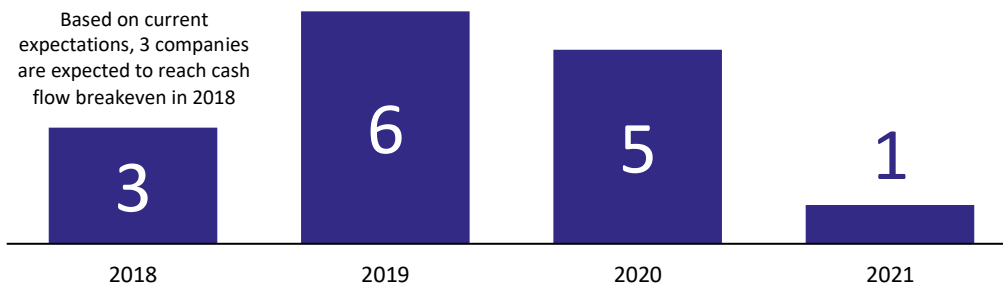
### New investments and opportunities

FDV 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.

### PROGRESS TOWARDS PROFITABILITY

FDV announced an update to its progress towards profitability following the completion of its half year budgeting process with each portfolio company (*refer to ASX announcement dated 10 April 2018*). The budgeting process produces revenue and cost forecasts which are then utilised by FDV and its entrepreneurs primarily to manage their cash positions.

**Figure 4: Current expectation of cash flow breakeven timing across FDV’s portfolio (#)**



Please note: This chart is based on expectations as at the date of this announcement. The exact cash flow breakeven timing of each portfolio company is provided on the understanding that the assumptions on which they are based may not be realised and that unanticipated events and circumstances may occur which alter the expected timing.

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As part of its stated strategy, FDV continuously manages its portfolio on an underlying equity value basis, which may result in decisions to prioritise market leadership and/or revenue over cash flow breakeven. FDV therefore expects some variance to the current cash flow breakeven forecasts provided in this release.

Potential factors influencing cash flow breakeven timing include, but are not limited to:

- Focus on achieving market leadership
- Pursuit of revenue growth
- M&A activity to consolidate market position
- Stronger or weaker operational performance of underlying portfolio company than currently expected

**OPERATIONAL HIGHLIGHTS**

The operational and revenue performance of **Encuentra24**, **LankaPropertyWeb** and **Infocasas**, who recorded positive EBITDA in March 2018, are provided below:

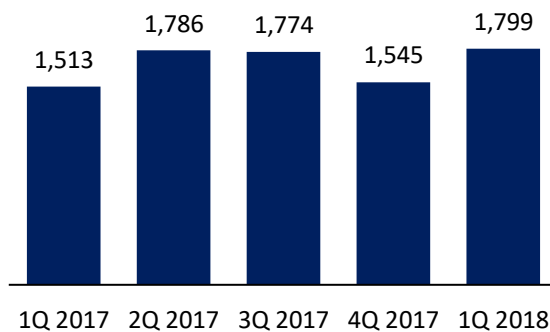
**Encuentra24**, the leading online classifieds portal in Central America, has posted a strong quarter of revenue growth despite the seasonally slow period due to the significance of the easter holidays in the Central America region.

**Encuentra24** also recorded positive EBITDA in the month of March 2018 and is expected to post a strong increase in revenue in April 2018 on the back of an uninterrupted trading period

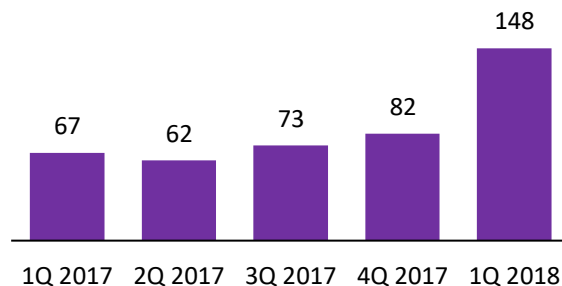
**LankaPropertyWeb**, the leading property portal in Sri Lanka, posted record revenue in 1Q 2018 following a success at a recent expo and continued core classifieds growth.

**LankaPropertyWeb** also recorded positive unaudited EBITDA for the months of February and March 2018, demonstrating its advanced progress towards profitability

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



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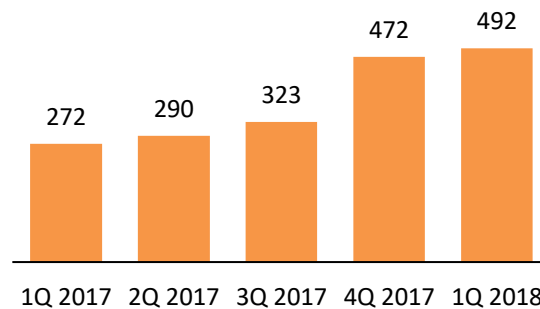


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**Infocasas**, the #1 property platform in Uruguay and Paraguay, continues to demonstrate strong revenue growth as it implements best-practice strategies in conjunction with Frontier's management team.

**Infocasas** quarterly revenue increased to A\$492k in 1Q 2018, an increase of +81% on pcp (A\$272k)

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



During the quarter the FDV 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.

**NOTE: UNDERLYING VS STATUTORY ACCOUNTING**

The 1Q 2018 Appendix 4C statement released alongside this announcement reports the statutory cash flows for the 3 month period ended 31 March 2018. Due to the nature of FDV's investment portfolio there is a difference between the economic interest in group cash receipts and statutory cash receipts reported. The current portfolio contains 11 investments that are accounted for on a consolidated basis (including Encuentra24.com) and 4 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:

	<b>1Q 2018 revenue (A\$)</b>
Standalone revenue for 1Q 2018 (Encuentra24.com only)	1,799,154
FDV's economic share (currently owns 42.1% of Encuentra24.com)	756,885
<b>Statutory revenue (100% of revenue recognised in statutory accounts)</b>	<b>1,799,154</b>

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

	<b>1Q 2018 revenue (A\$)</b>
Standalone revenue for 1Q 2018 (Zameen only)	5,165,683
FDV's economic share (currently owns 30% of Zameen)	1,549,705
<b>Statutory revenue (Zameen excluded from statutory accounts)</b>	<b>-</b>

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#### **About FDV Limited**

FDV 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, FDV 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, FDV 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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