

ASX Code: FDV

30 July 2018

Half year results and FY18 revenue update

Frontier Digital Ventures Limited ("FDV", ASX: FDV) is pleased to announce its results for the first six months of the 2018 financial year ("1H 2018") and provide an update to expected revenue for the 12 months to 31 December 2018 ("FY18")

- **+59% increase in half year portfolio revenue to A\$18.2m (100% basis)**
- **Current expectations of A\$40.0m portfolio revenue for the full year 2018 in line with analyst estimates (100% basis)**
- **Approximately half of FDV's existing portfolio companies are expected to achieve cash flow breakeven in the next 18 months**
- **Successful fully underwritten A\$14.4m capital raising completed, with A\$20.6m in cash at 30 June 2018**

FDV's Founder and CEO, Shaun Di Gregorio said: "We are pleased with the performance of our portfolio in the first half of 2018, with a +59% increase revenue on the prior corresponding period."

"FDV is also providing an update on the portfolio revenue outlook, with current expectations of A\$40m revenue for the full year 2018 (100% basis). This marks an important milestone for FDV, reflecting the continued maturation of our portfolio and steady progress towards cash flow breakeven on an individual operating company basis."

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

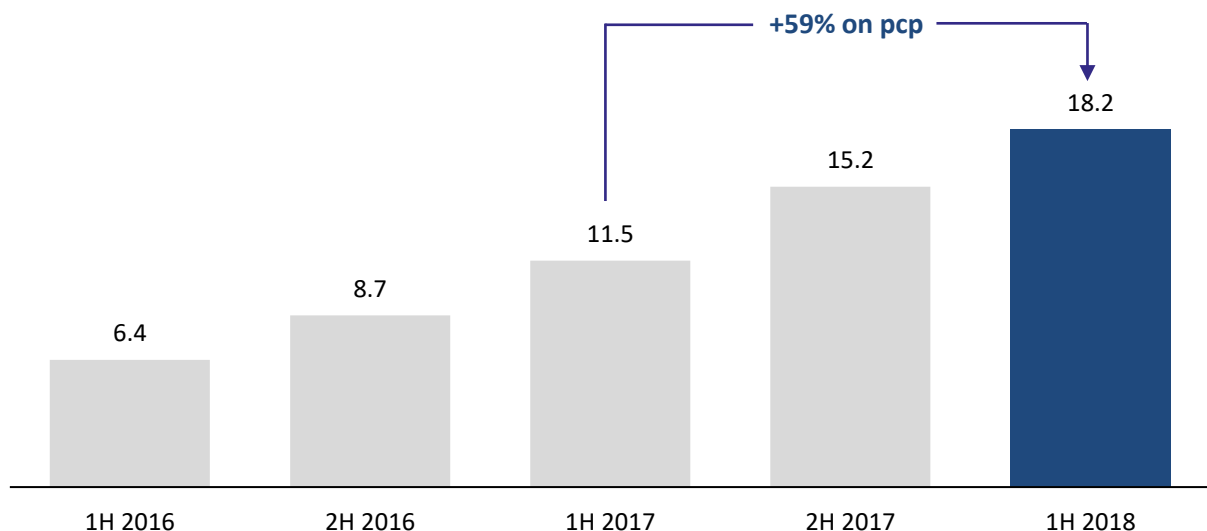


Table 1: Half revenue by business (100% basis, pro-forma unaudited)¹

	FDV ownership (%)	1H 2017 Revenue A\$ (100% basis)	1H 2018 Revenue A\$ (100% basis)	Growth (%)
Consolidated investments²				
AutoDeal	37%	411,846	478,076	+16%
carsDB	76%	71,058	222,248	+213%
Encuentra24	42%	3,298,524	3,650,500	+11%
Hoppler	21%	185,330	333,642	+80%
iMyanmar	43%	452,466	642,020	+42%
LankaPropertyWeb	48%	128,976	259,254	+101%
meQasa	86%	45,934	99,653	+117%
Angocasa/Angolacarr	75%	0	52,600	n.m.
ToLet	39%	162,468	169,310	+4%
Associates²				
Zameen	30%	5,067,927	9,738,248	+92%
Pakwheels	37%	643,046	1,028,528	+60%
Infocasas	31%	561,853	1,086,304	+93%
Propzy	20%	284,355	249,357	(12%)
Moteur	56%	71,000	143,379	+102%
Kupatana	29%	75,330	50,278	(33%)
Total revenue		11,460,114	18,203,394	+59%

Table 2: Half year revenue by business (FDV ownership basis, pro-forma unaudited)¹

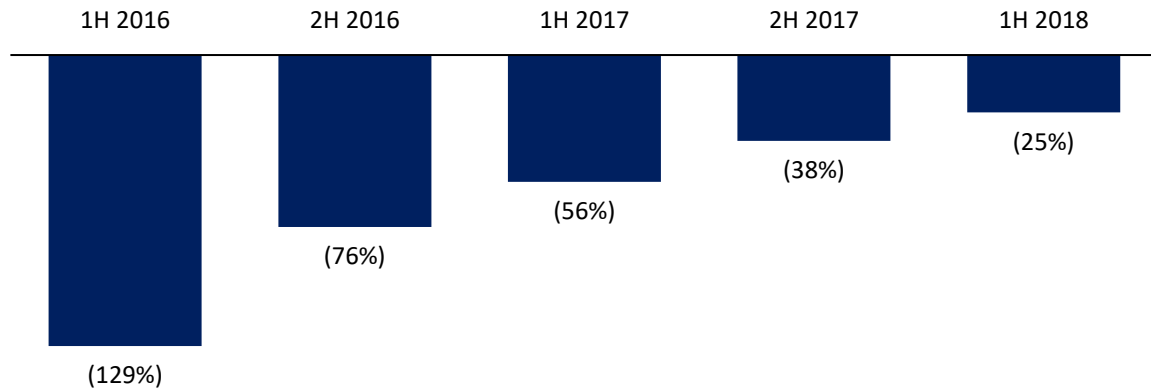
	FDV ownership (%)	1H 2017 Revenue A\$ (FDV basis)	1H 2018 Revenue A\$ (FDV basis)	Growth (%)
Consolidated investments²				
AutoDeal	37%	24,358	159,359	+554%
carsDB	76%	54,348	169,983	+213%
Encuentra24	42%	1,300,266	1,535,727	+18%
Hoppler	21%	0	68,691	n.m.
iMyanmar	43%	192,906	273,720	+42%
LankaPropertyWeb	48%	56,505	123,807	+119%
meQasa	86%	30,408	85,901	+182%
Angocasa/Angolacarr	75%	0	39,450	n.m.
ToLet	39%	64,137	66,838	+4%
Associates²				
Zameen	30%	1,520,379	2,921,475	+92%
Pakwheels	37%	236,911	378,930	+60%
Infocasas	31%	0	340,356	n.m.
Propzy	20%	8,463	56,035	+562%
Moteur	56%	34,552	69,776	+102%
Kupatana	29%	23,470	14,723	(37%)
Total revenue		3,546,702	6,304,771	+78%

Note:

1. Excludes investments that have been withdrawn/exited including Afribaba, carWangu, casaMozambique and IMCongo
2. Accounting treatment as at 30 June 2018

FDV's 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 continues to grow.

Figure 2: 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.

	June 2017	June 2018
Tier 1	7	12
Tier 2	3	3
Tier 3	5	Nil

Activity within the existing portfolio

On 23 May 2018, FDV announced a fully underwritten A\$14.4m entitlement offer. The proceeds from the capital raising are being used primarily by FDV to increase its ownership of existing tier 1 operating companies and accelerate their development.

FDV announced on 1 June 2018 that it expects to monetise an option to acquire a 0.92% indirect interest in Zameen, which would result in an additional cash injection of A\$1.9m. FDV expects to finalise this transaction with the option counterparties over the coming weeks. This potential monetisation highlights FDV's ability to monetise equity interests across its portfolio of 15 leading online classifieds businesses in the best interests of all shareholders.

FDV also increased its stake in AutoDeal.com.ph during the quarter, from 33.33% to 36.84% for cash consideration of A\$0.5m. The investment followed AutoDeal reaching an agreed A\$0.8m p.a. revenue milestone faster than anticipated at the time of FDV's initial investment in June 2017.

During 2Q 2018, FDV announced its intention to take up its pro-rata share of Zameen in the second tranche of the Zameen funding round announced in November 2017. As a result of strong revenue growth and an outperformance of prior expectations, Zameen reduced the size of the tranche from US\$2.5m to US\$1.5m at a higher pre-money equity valuation of US\$220m, up +47% from US\$150m in November 2017.

New investments and opportunities

FDV has a strong balance sheet with a pro-forma cash position of approximately A\$20.6m as at 30 June 2018, following the successful recent completion of the A\$14.4m underwritten entitlement offer. FDV continues to take advantage of strategic opportunities within its existing portfolio, as well as pursue compelling new tier 1 opportunities.

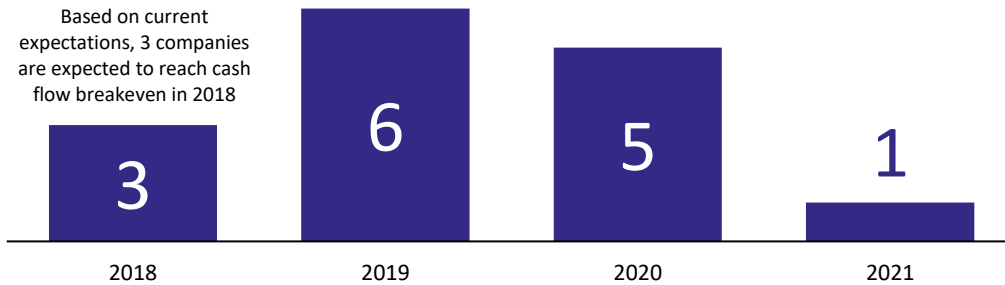
FDV actively manages its portfolio and considers opportunities to increase or divest its current holdings, as well as evaluating new investments in line with the Company’s stated strategy.

PROGRESS TOWARDS CASHFLOW BREAKEVEN

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

Seven of the portfolio companies recorded at least one month of positive EBITDA during the June quarter, including AutoDeal, Encuentra24, Hoppler, iMyanmar, LankaPropertyWeb, Infocasas and Moteur. Figure 3 shows the year in which each of FDV’s current portfolio companies expects to reach cashflow breakeven.

Figure 3: 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.

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

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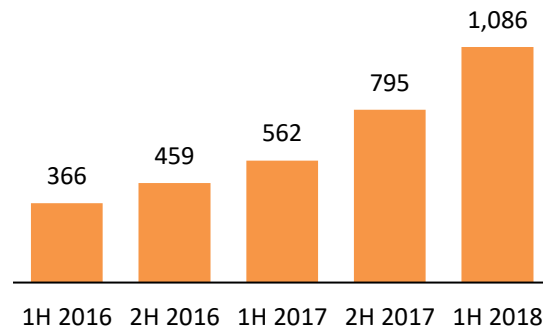
OPERATIONAL HIGHLIGHTS

The operational and revenue performance of **Infocasas** was strong during 1H 2018. Similarly, **Zameen** continues to leverage its position as the leading property portal in Pakistan, with strong performance across the half year ended 30 June 2018. **CarsDB**, **LankaPropertyWeb** and **meQasa** also recorded strong performance over 1H 2018.

Infocasas, the #1 property platform in Uruguay and Paraguay and the fastest growing property portal in Bolivia, continues to demonstrate strong revenue growth as it continues to leverage its position of market leadership.

Infocasas half year revenue increased to A\$1,086k in 1H 2018, an increase of +93% on pcp (A\$562k).

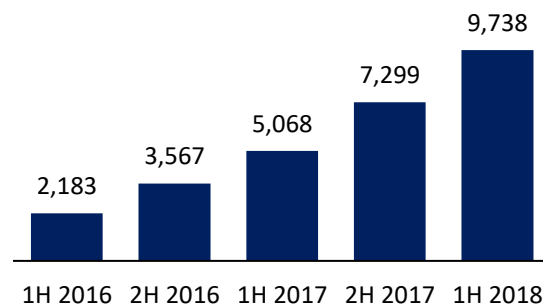
Half year revenue (A\$000, 100% basis unaudited)



Zameen, the #1 property portal in Pakistan demonstrated strong revenue growth on a half year basis, despite the seasonally slow holiday period (Ramadan) in 2Q 2018.

Zameen half year revenue increased to A\$9.7m in 1H 2018, an increase of +92% on pcp (A\$5.1m).

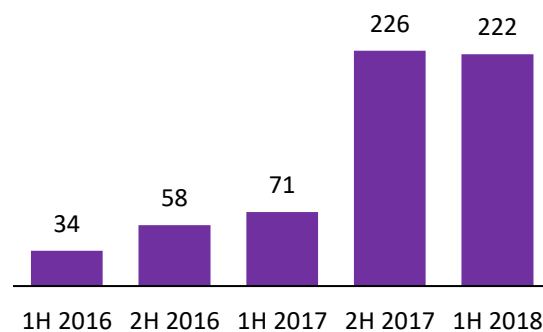
Half year revenue (A\$000, 100% basis unaudited)



CarsDB, the #1 online auto classifieds portal in Myanmar demonstrated strong revenue growth in 1H 2018.

CarsDB half year revenue in 1H 2018 was A\$222k, an increase of 213% on pcp (A\$71k).

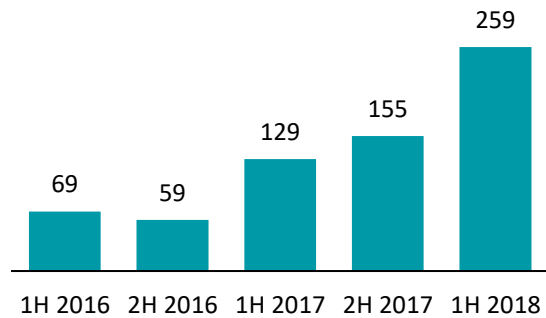
Half year revenue (A\$000, 100% basis unaudited)



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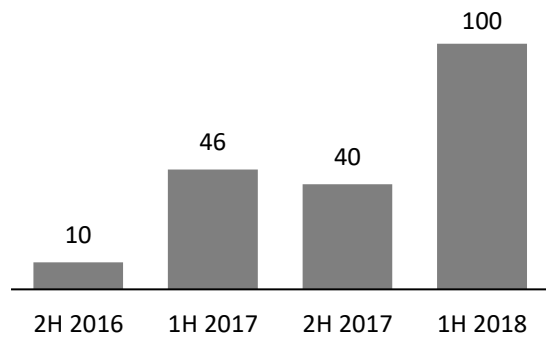
LankaPropertyWeb, #1 online real estate portal in Sri Lanka demonstrated strong revenue growth to A\$259k in 1H 2018, an increase of +101% on pcp (A\$129k).

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



meQasa, the leading property portal in Ghana established itself as the clear market leader in 2017 and has successfully leveraged this market leading position to drive revenue growth in the first half of 2018.

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



meQasa half year revenue increased to A\$100k in 1H 2018, an increase of +117% on pcp (A\$46k).

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.

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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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