

ASX Code: FDV

30 April 2020

Improved profitability and balance sheet despite COVID-19

Frontier Digital Ventures Limited (“FDV”, ASX: FDV) is pleased to announce its results for the March quarter 2020 (“1Q 2020”) and provide an update in relation to the COVID-19 pandemic.

- **+25% increase in FDV economic share of quarterly revenue to A\$6.5m (FDV basis) on pcp, with temporary COVID-19 lockdowns impacting revenue in March 2020**
- **Improved profitability with most operating companies trading around breakeven – the portfolio EBITDA loss as a percentage of revenue fell to just 1.9% (FDV basis)**
- **FDV’s cash balance increased by A\$7.0 million to A\$19.4m as at 31 March 2020, the highest cash balance since mid-2017**
- **FDV has taken proactive measures with all of its operating companies to help prepare them for the worst-case economic scenarios**
- **Although the full economic impact of the COVID-19 crisis remains uncertain, FDV is actively positioning its portfolio to emerge in a stronger competitive position**

FDV’s Founder and CEO, Shaun Di Gregorio said:

“With the benefit of hindsight, FDV went into the COVID-19 crisis in a strong position. The sale of our shareholding in Propzy was fortuitously timed, as was our decision to issue equity at close to market prices at the time, to fund the increase in our shareholdings of InfoCasas, AutoDeal and iMyanmarhouse.

Overall, we are pleased with how the operating companies have responded to the emergence of COVID-19. The March quarter was tracking strongly in the absence of COVID-19, however the temporary lockdowns which have been put in place negatively impacted activity levels. Notwithstanding this, FDV’s cash balance increased by \$7.0 million to \$19.4m, which is the highest cash balance since mid-2017.

While the full economic impact of COVID-19 remains uncertain, FDV and its operating companies have been proactive in scenario and cost planning to ensure they can continue to operate efficiently while the temporary lockdowns persist. Maintaining relevance to customers and consumers, while tightly managing cost structures and working capital has never been more important.

While the current environment presents some significant challenges, we are well prepared to navigate potential volatility and leverage our market leading positions to prepare for when the temporary lockdowns are lifted.”

Figure 1: Portfolio revenue¹ (A\$m, pro-forma unaudited, 100% basis)

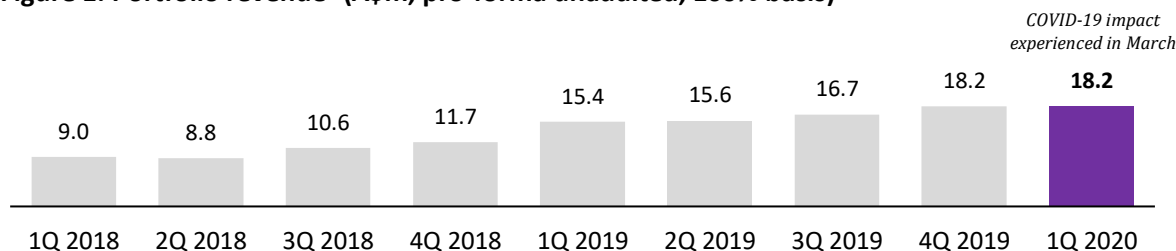


Table 1: Quarterly revenues by business¹ (pro-forma unaudited, 100% basis)

	FDV ownership (%)	1Q 2020 Revenue A\$ (100% basis)	1Q 2019 Revenue A\$ (100% basis)	Growth (% in A\$)
Zameen	30%	12,075,421	10,235,712	+18%
Encuentra24	42%	2,033,366	1,937,847	+5%
InfoCasas	52%	1,430,373	916,149	+56%
iMyanmarhouse	53%	705,710	431,007	+64%
AutoDeal	56%	428,705	383,266	+12%
CarsDB	65%	419,363	334,858	+25%
Pakwheels	37%	397,371	488,969	(19%)
LankaPropertyWeb	53%	199,383	138,665	+44%
West Africa ²	N/A	179,424	144,137	+24%
Hoppler	40%	171,178	255,657	(33%)
Moteur	56%	112,147	130,734	(14%)
Total revenue		18,152,442	15,397,001	+18%

Table 2: Quarterly revenues by business¹ (pro-forma unaudited, FDV basis)

	FDV ownership (%)	1Q 2020 Revenue A\$ (FDV basis)	1Q 2019 Revenue A\$ (FDV basis)	Growth (% in A\$)
Zameen	30%	3,622,627	3,070,714	+18%
Encuentra24	42%	855,416	815,232	+5%
InfoCasas	52%	745,797	287,037	+160%
iMyanmarhouse	53%	329,459	183,756	+79%
CarsDB	65%	271,793	217,024	+25%
AutoDeal	56%	239,174	141,204	+69%
Pakwheels	37%	146,399	180,146	(19%)
LankaPropertyWeb	53%	100,968	66,220	+52%
West Africa ²	N/A	90,530	80,887	+12%
Hoppler	40%	68,869	102,857	(33%)
Moteur	56%	63,151	73,618	(14%)
Total revenue		6,534,183	5,218,695	+25%

Notes:

- Results figures quoted for entities with continuing operations as at 31 March 2020 (excludes Propzy)
- West Africa includes PropertyPro (Nigeria; 39% owned) and MeQasa (Ghana; 72% owned)

PORTFOLIO PROGRESSION

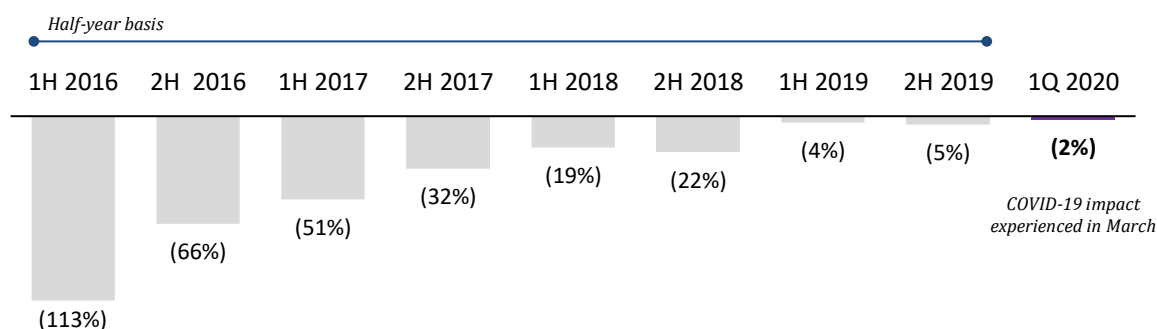
In February 2020, FDV realised a ~300% return on the sale of its shareholding in Propzy, returning US\$4.7m from US\$1.2m invested over ~2.5 years. This was a key milestone as it represented the first material monetisation event in FDV’s history, and the timing was fortuitous. The sale was driven by Propzy’s intended growth and funding strategy, which was expected to increase losses at the EBITDA level and dilute FDV’s ownership to less than 10%.

During the quarter, FDV increased its shareholding in iMyanmarhouse from 42.6% to 52.6%. FDV’s increased shareholding in iMyanmarhouse was split evenly between cash and new shares, with the equity component issued at \$1.106, a 4.3% premium to FDV’s share price at the time.

FDV also increased its shareholding in LankaPropertyWeb from 47.8% to 53.0% through the conversion of a US\$250k loan facility into LankaPropertyWeb equity. Since the transaction, LankaPropertyWeb has reported its highest ever revenue result with 1Q 2020 revenue increasing +44% on pcp to A\$199k (100% basis).

FDV experienced improved profitability in 1Q 2020, despite the COVID-19 headwinds in March, with most operating companies trading around breakeven. The portfolio EBITDA loss as a percentage of revenue as shown in Figure 2 fell to just 1.9% on an FDV basis.

Figure 2 : Portfolio EBITDA margin¹ (% , pro-forma unaudited, FDV basis)



Notes:

1. Results figures quoted for entities with continuing operations as at 31 March 2020 (excludes Propzy)

BUSINESS UPDATE AND IMPACT OF COVID-19

FDV is pleased to report a cash balance of A\$19.4m, the highest level since mid-2017, whilst also seeing significant improvement in profitability as the deterioration in economic conditions begun to be felt in March. FDV’s team has approached this period with fiscal prudence having experienced similar economic downturns and having studied the SARS pandemic and the impact in Wuhan, China. The performance of the operating companies is closely tied to the extent and timing of the temporary lockdowns imposed, which FDV continues to closely monitor.

The operating companies started the quarter with strong revenue momentum, where 9 of the 12 companies recorded monthly revenue growth in January and February 2020, relative to their prior corresponding periods. The month of March saw a deterioration in business conditions across all markets. While this trend is expected to continue into 2Q 2020, FDV is pleased to report that most

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portfolio companies operated around breakeven, with Zameen, iMyanmarhouse and AutoDeal all reporting positive EBITDA in 1Q 2020.

CASH MANAGEMENT AND OUTLOOK FOR 2Q 2020

FDV has been proactively working with management teams across its portfolio to conduct scenario analysis ranging from mild, severe and hibernation situations. Operating companies have identified various costs, such as marketing spend and labour costs, that have or can be scaled back to minimise expenditure if economic conditions remain challenging. The operating companies will continue to operate at a reduced capacity, focusing their sales and marketing efforts on existing customers. FDV remains confident that the relative strength of its operating companies will help insulate them from some of the economic disruption and help them solidify their market leading positions.

The COVID-19 economic shock is expected to create opportunities to grow the portfolio given the consolidation expected to occur. FDV is actively assessing opportunities to solidify the market position of its portfolio companies. FDV intends to maintain a strong balance sheet during this period, but the flexibility to adapt to the changing market conditions puts the Company in a strong position. FDV's cash balance of A\$19.4m as at 31 March 2020 positions the Company well in the event of a further slowdown in business activity.

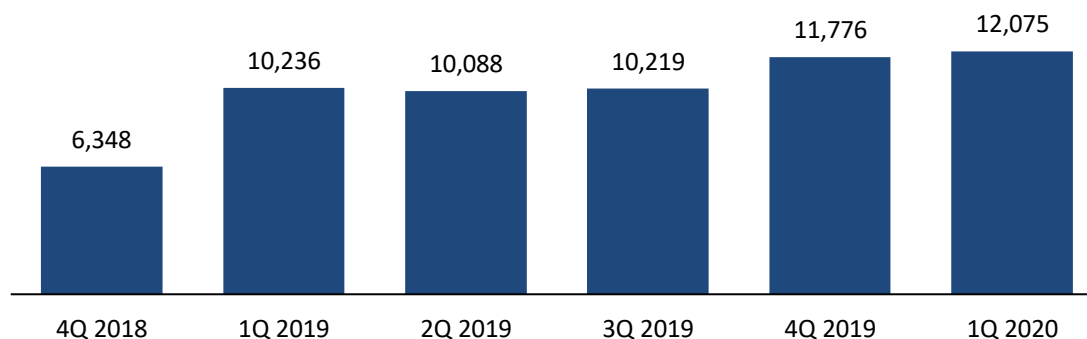
UPDATE ON ZAMEEN

Zameen, the leading property portal based in Pakistan, continues to achieve strong growth, with revenue in 1Q 2020 up +18% on pcp to A\$12.1m (100% basis). Over the last 12 months, Zameen has contributed in excess of A\$10m to group revenue each quarter, a testament to Zameen's management team and their position as the clear market leader. Zameen has continued the momentum of previous quarters, with a A\$1.1m improvement in EBITDA relative to 4Q 2019. FDV is pleased to see the Pakistani government has announced a US\$7.2bn relief package, including a cash transfer program totally US\$900m, to support the economy while shutdowns continue. Zameen is in a good position to weather the economic slowdown given its market leading position.

Subsequent to the quarter end, Zameen issued a convertible note of US\$5m with a 3-year term, which was fully taken up by existing shareholders. FDV subscribed for US\$0.75m, which at most would result in FDV's shareholding falling from 30.0% to 29.6% upon conversion. Settlement is expected to occur this quarter. The ongoing support from existing shareholders is reflective of the broad investor confidence in Zameen's business, despite the challenging market conditions.

We note the very recent news in relation to the merger of Zameen's parent company, Emerging Markets Property Group (EMPG), with OLX Group (a subsidiary of JSE-listed Naspers) in four countries: Pakistan, Egypt, Lebanon and UAE. This transaction was funded through a US\$150 million funding round in EMPG, which was led by OLX Group and its existing shareholders. According to media reports the deal values EMPG at over US\$1 billion post-transaction. EMPG currently owns 70.0% of Zameen (along with other assets), while FDV is the only other shareholder in Zameen through its current 30.0% shareholding.

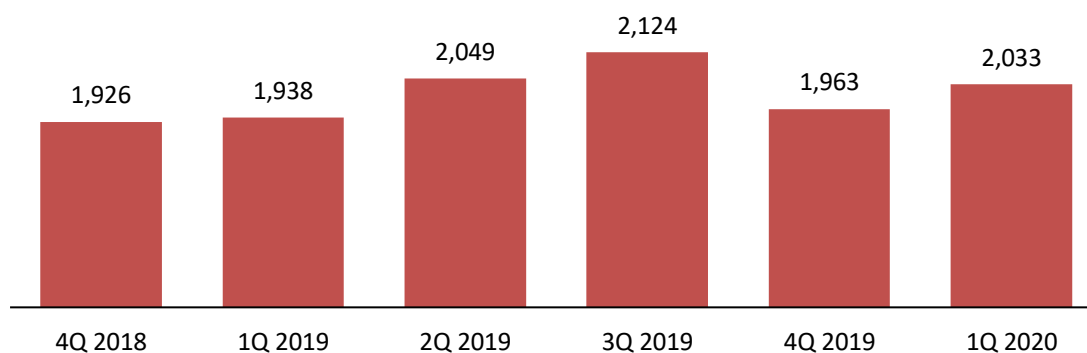
Figure 3: Zameen revenue (A\$000 pro-forma unaudited, 100% basis)



UPDATE ON ENCUESTRA24

Encuentra24, a leading general classified and online marketplace covering Central America, continues to enjoy solid operating performance. Revenue in 1Q 2020 was A\$2.0m (100% basis) up 4.9% on pcp, sustaining consecutive quarters of revenue in excess of A\$1.9m. Encuentra24 heads into 2Q 2020 trading at breakeven, a strong result given the deterioration in economic conditions that emerged in March. Encuentra24's leading position in all of its markets, as well as its improved planning, positions it well to weather the COVID-19 downturn and emerge in a strong position.

Figure 4: Encuentra24 revenue (A\$000 pro-forma unaudited, 100% basis)

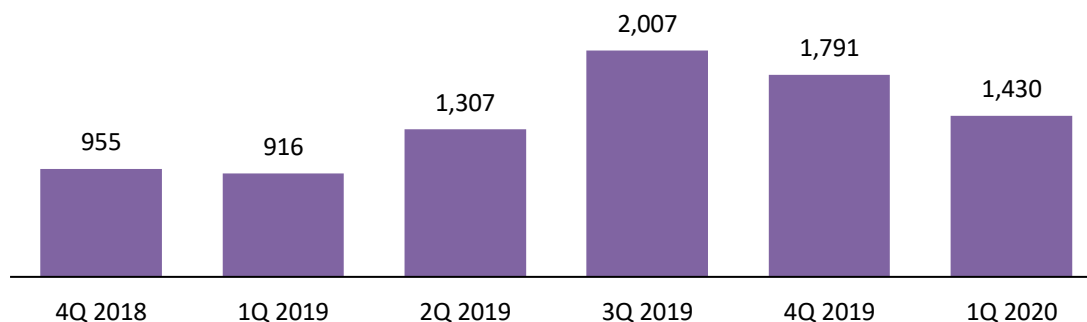


UPDATE ON INFOCASAS

InfoCasas continues to maintain its position as the #1 property portal in Uruguay, Paraguay and Bolivia, while recently making significant inroads into the Peruvian market. InfoCasas recorded a +56% increase in 1Q 2020 revenue on pcp to A\$1.4m (100% basis). Of all the operating companies, InfoCasas felt the impact of COVID-19 sooner than most. While 3Q 2019 was an exceptional quarter, 1Q 2020 is seasonally slower, and the added impact of COVID-19 weighed on results.

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Figure 5: InfoCasas revenue (A\$000, pro-forma unaudited, 100% basis)

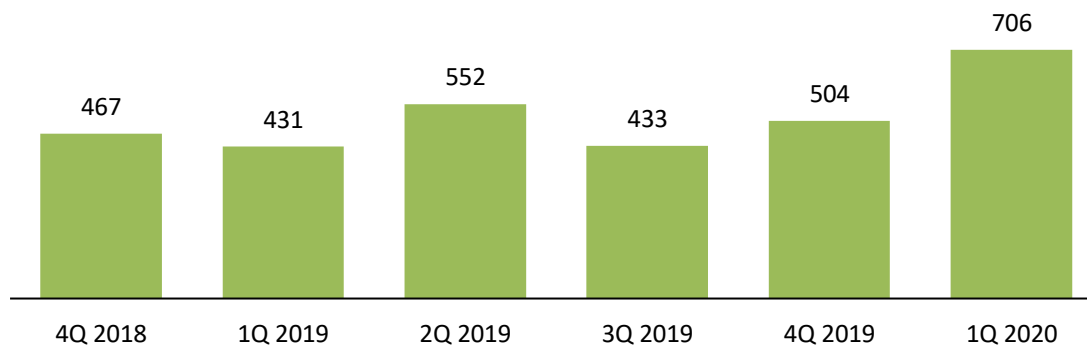


UPDATE ON IMYANMARHOUSE

Pleasingly, iMyanmarhouse has delivered another strong quarter, generating record quarterly revenue. Revenue in 1Q 2020 has exceeded A\$700k for the first time, +64% higher than 1Q 2019, and +40% higher than 4Q 2019 (100% basis). iMyanmarhouse is the leading property classifieds platform in Myanmar and the strong revenue growth supports FDV’s decision to increase its shareholding from 42.6% to 52.6% earlier this year.

While some COVID-19 headwinds are expected, iMyanmarhouse has recorded stable, positive EBITDA. The business continues to create significant shareholder value through successful strategy execution.

Figure 6: iMyanmarhouse revenue (A\$000, pro-forma unaudited, 100% basis)

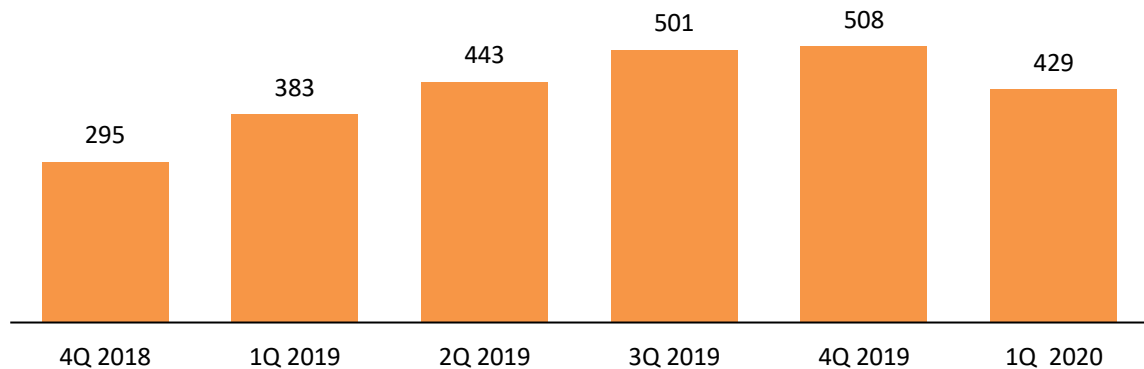


UPDATE ON AUTODEAL

AutoDeal, the leading operator of online car classified portals in the Philippines, recorded revenue growth of +12% over 1Q 2020 to A\$429k (100% basis) despite weakening sales in March 2020. AutoDeal recorded positive EBITDA of A\$21k during the quarter however, new car sales are likely to experience further disruption as a result of COVID-19 in the coming months. While the strict temporary lockdowns implemented by the Philippines government will impact economic activity in the near-term, FDV is confident in AutoDeal’s strategy and ability to return to stronger growth when market conditions improve.

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Figure 7: AutoDeal revenue (A\$000, pro-forma unaudited, 100% basis)



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This announcement is authorised for release by the Board of Directors of Frontier Digital Ventures Limited.

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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 12 market leading companies, operating businesses across 16 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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