

ASX Code: FDV

29 April 2021

1Q 2021 Quarterly Activity Report and Appendix 4C

Frontier Digital Ventures Limited (“FDV”, ASX: FDV) is pleased to release its Quarterly Activity Report and Appendix 4C for the March quarter 2021 (“1Q 2021”).

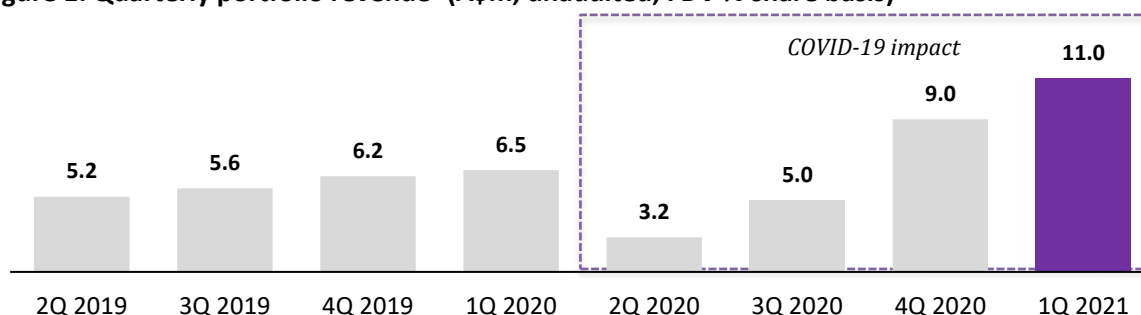
- Record quarterly revenue on an FDV % share basis of A\$11.0m, increasing 68% on pcp, with recent acquisitions significantly enhancing FDV’s long-term growth profile
- Significant appreciation of the Australian Dollar against all local currencies in the last 12 months of approximately 15-30% in FDV’s key markets has masked the even stronger underlying revenue growth of the portfolio
- Platform enhancements underway in several operating companies including Fincaraíz, Avito, Tayara and Yapó, to improve the consumer experience, introduce new advertising products for customers and accelerate online transaction capabilities
- Update provided in relation to Myanmar, where the political unrest has impacted iMyanmarhouse and CarsDB (together less than 5% of 2020 revenues on an FDV % share basis)
- Strong cash position of A\$29.2m as at 31 March 2021, providing significant funding flexibility as FDV continues to assess opportunities to increase scale in key markets

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

“FDV has enjoyed another strong quarter, with record revenue on an FDV % share basis. The significant appreciation of the Australian dollar against all local currencies masked an even stronger performance. Recent acquisitions and increased ownership levels of existing businesses have strengthened FDV’s growth profile. Our operating companies continue to innovate across their portals to drive monetisation opportunities. We remain focused on extending our market leadership positions, while continuing to actively explore opportunities to create long-term shareholder value.”

CONTINUED REVENUE GROWTH

Figure 1: Quarterly portfolio revenue¹ (A\$m, unaudited; FDV % share basis)



Notes:

1. Results figures quoted for entities with continuing operations as at 31 March 2021
2. FDV acquired 100% interest in Yapo in February 2021. 1Q 2021 revenue contribution included from 25 February 2021 to 31 March 2021

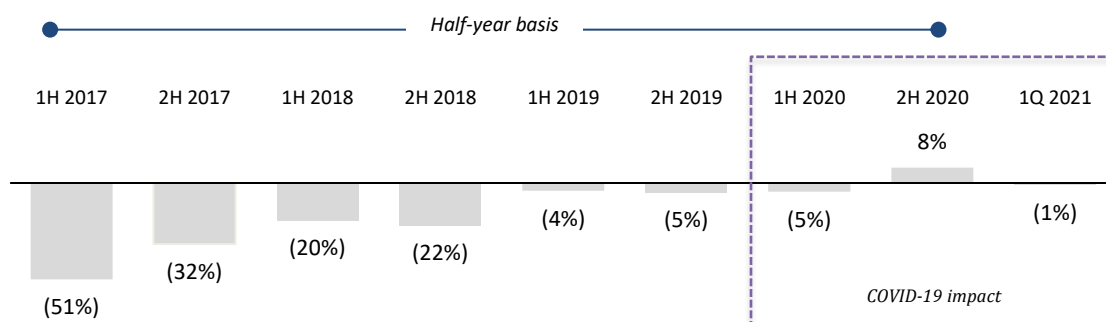
FDV reported record quarterly revenue of \$11.0m in 1Q 2021, increasing 68% on 1Q 2020 (FDV % share basis). Figure 1 highlights the step change in the revenue trajectory of FDV's portfolio, underpinned by strong organic growth across the portfolio and recent acquisitions.

SUSTAINABLE EBITDA MARGIN

FDV reported a portfolio EBITDA margin of (1%) in 1Q 2021 (FDV % share basis), which included a full quarter of contribution from Fincaraíz, Tayara and Avito and a partial contribution from Yapo. The equivalent like-for-like portfolio EBITDA margin in 1Q 2021 would have been 8% (FDV % share basis) if these four new acquisitions were excluded i.e., the same level as the 8% recorded in 2H 2020, highlighting continued strong performance. Overall, the operating companies continue to benefit from the revenue and cost initiatives led by FDV in 2020.

FDV wishes to highlight the deliberate strategic decision made during the COVID-19 period to focus on opportunistic strategic acquisitions and revenue growth, while maintaining a sustainable EBITDA margin, which has strengthened FDV's growth profile and enhanced the long-term value creation opportunity for shareholders.

Figure 2: Portfolio EBITDA margin¹ (% unaudited, FDV % share basis)



Notes:

1. Results figures quoted for entities with continuing operations as at 31 March 2021

IMPACT OF EXCHANGE RATES

The significant appreciation of the Australian Dollar (AUD) against all local currencies across the year to 1Q 2021 has masked the strong underlying quarterly revenue growth exhibited across the portfolio. For example, the average AUD:PKR exchange rate from 1Q 2020 to 1Q 2021 appreciated 19.6%, significantly obscuring the local currency growth rate of Zameen and Pakwheels in Pakistan. Similarly, the AUD appreciated against Latin American currencies approximately 15-30% over this time, impacting the reported AUD revenues of Encuentra24, Fincaraíz, InfoCasas and Yapo. See Appendix 1 for further details on the individual currency movements.

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

	FDV ownership (%)	1Q 2021 Revenue A\$ (100% basis)	1Q 2020 Revenue A\$ (100% basis)	Growth (% in A\$)
Zameen	30%	13,330,221	12,075,421	10%
Encuentra24 ²	26%	2,026,401	2,033,366	0%
Fincaraíz ³	100%	1,979,487	-	-
InfoCasas	52%	1,892,482	1,430,373	32%
Avito ³	100%	1,572,626	-	-
Yapo ⁴	100%	880,453	-	-
Pakwheels	37%	580,753	397,371	46%
AutoDeal	56%	341,240	428,705	(20%)
Tayara ³	100%	212,343	-	-
LankaPropertyWeb ⁵	53%	189,884	199,383	(5%)
Hoppler	40%	169,512	171,178	(1%)
West Africa ⁶	N/A	159,361	179,424	(11%)
Moteur ⁷	100%	140,323	112,147	25%
iMyanmarhouse ⁵	53%	91,379	705,710	(87%)
CarsDB	65%	39,528	419,363	(91%)
Total revenue		23,605,994	18,152,442	30%

Impacted by political unrest

Table 2: Quarterly revenues by business¹ (unaudited, FDV % share basis)

	FDV ownership (%)	1Q 2021 Revenue A\$ (FDV basis)	1Q 2020 Revenue A\$ (FDV basis)	Growth (% in A\$)
Zameen	30%	3,967,074	3,622,627	10%
Fincaraíz ³	100%	1,979,487	-	-
Avito ³	100%	1,572,626	-	-
InfoCasas	52%	986,740	745,797	32%
Yapo ⁴	100%	880,453	-	-
Encuentra24 ²	26%	532,741	855,416	(38%)
Pakwheels	37%	213,949	146,399	46%
Tayara ³	100%	212,343	-	-
AutoDeal	56%	190,378	239,174	(20%)
Moteur ⁷	100%	140,323	63,151	122%
LankaPropertyWeb ⁵	53%	100,658	100,968	0%
West Africa ⁶	N/A	80,540	90,679	(11%)
Hoppler	40%	68,195	68,869	(1%)
iMyanmarhouse ⁵	53%	48,093	329,459	(85%)
CarsDB	65%	25,618	271,793	(91%)
Total revenue		10,999,128	6,534,332	68%

Impacted by political unrest

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Notes:

1. Results figures quoted for entities with continuing operations as at 31 March 2021
2. FDV ownership of Encuentra24 was 42% in 1Q 2020, prior to the business combination with OLX's Central American platforms.
3. FDV acquired 100% interest in Fincaraíz, Avito and Tayra on 8 October 2020
4. FDV acquired 100% interest in Yapo on 25 February 2020
5. FDV increased its shareholding in iMyanmarhouse from 43% to 53% and in LankaPropertyWeb from 48% to 53% on 24 January 2020
6. West Africa includes PropertyPro (Nigeria: 39% owned) and MeQasa (Ghana; 69% owned)
7. FDV increased its shareholding in Moteur from 56% to 100% on 21 January 2021. 1Q 2021 revenue contribution represents the proportional share of revenue

OPERATIONAL UPDATES

InfoCasas, the leading property portal in Uruguay, Paraguay and Bolivia, continues to achieve significant operational progress, with 1Q 2021 revenue of A\$1.9m increasing 32% on the prior corresponding period (100% basis), despite for example the 28.4% appreciation in the AUD against the Uruguan UYU. Notably, InfoCasas has reported 4 consecutive quarters of positive EBITDA and is self sustaining from an FDV perspective. FDV sees a significant opportunity for InfoCasas to expand its current market position in Peru, a market larger than Uruguay, Paraguay and Bolivia combined. The continued operational progress of InfoCasas highlights the significant value the business continues to create for shareholders.

Zameen and Pakwheels, the leading property and auto classifieds portals in Pakistan respectively, have produced another strong quarter underpinned by their dominant market positions. Zameen recorded quarterly EBITDA of A\$1.8m, a A\$1.2m improvement on 1Q 2020 (100% basis), benefiting from the significant operational efficiencies achieved over recent quarters. Pakwheels achieved record quarterly revenue of A\$0.6m increasing 44% on pcp and was EBITDA positive (100% basis). Overall, increased economic activity, regulatory reform removing frictions on businesses and early access to vaccines provides confidence in the long-term growth trajectories of both businesses.

During the quarter, FDV together with Fincaraíz have made significant operational improvements, strengthening the core business across the property vertical in Colombia. Efficiencies across the sales team, pricing increases and lower marketing spend position the platform for long-term growth. Meanwhile, Fincaraíz has launched a pilot project with a leading developer in Colombia with another five projects expected to be initiated in 2Q 2021. Additionally, Fincaraíz is also in the early-stages of testing a new lead generation product in the home mortgage sector.

Following the acquisition of Yapo, the leading general classifieds portal in Chile, FDV's primary focus has been strengthening customer retention and accelerating product development. A number of initiatives have been launched, including a new real estate website, which is expected to increase average revenue per account. Yapo has made significant progress towards launching a transaction capability across the platform which is expected to go live in 2Q 2021. Plans are also underway to upgrade the platform and user experience across the portal.

In MENA, Avito and Tayara have both launched pilot projects with property developers in Morocco and Tunisia, respectively. The projects provide a clear pathway for the platforms to facilitate on transactions in the near term. If successful, Avito will be the first successful transaction-based offering in the Moroccan property market. In addition, Avito has also been working on product and marketing integration with Moteur, the leading new car classifieds portal in Morocco, which is expected to provide significant operational efficiencies across both platforms.

Political unrest in Myanmar has adversely impacted the operating conditions of iMyanmarhouse and CarsDB. Due to military restrictions in the capital Yangon, staff and management of iMyanmarhouse have been unable to travel to their office, substantially affecting operations of the business. CarsDB's operations are outside of the affected area however political tension across Myanmar continues to weigh on business activity. In 2020, these businesses represented less than 5% of FDV % share of revenue, and this number is expected to fall further in 2021 given the new acquisitions. Although there are plans for the companies to resume trading in the near future, this remains uncertain. FDV continues to assess and monitor the situation closely.

FDV continues to follow governmental responses to COVID-19 across the markets of its operating companies with both government imposed restrictions and vaccine programs at varied stages. For example, in Latin America Yapo has benefited from the vaccine rollout but at the same time Chile experienced an increase in new COVID-19 cases, while the Colombian government has imposed nightly curfews in many cities. Common across all the markets are the desires of governments to ensure economic activity levels are maintained when restrictions are required to curb outbreaks.

FDV continues to actively monitor the COVID-19 situation across its geographies, with a particular focus on LATAM and MENA markets, as a resurgence in COVID-19 cases continues to challenge local authorities.

PORTFOLIO PROGRESSION

In January 2021, FDV increased its shareholding in Moteur from 56.3% to 100%. The investment consolidates FDV's position in Morocco following the acquisition of Avito. FDV now wholly owns the leading classifieds platforms across the new and used car verticals, solidifying its position in the highly attractive Moroccan market.

In February 2021, FDV acquired 100% of Chilean online classifieds portal Yapo, strengthening FDV's position in Latin America through the entry into a new highly attractive adjacent market. Yapo is the leading general classifieds portal in Chile and holds the #1 position across the high value auto and real estate verticals. The acquisition complements FDV's existing interests in Fincaraíz, InfoCasas and Encuentra24 and enhances the scale and diversification of FDV's Latin American portfolio. InfoCasas is expected to make a material contribution to FDV's growth trajectory, underpinned by the strong operational performance of the business.

CORPORATE UPDATE

During the quarter, FDV had net operating cash outflows of A\$2.5m, including receipts from customers of A\$10.0m. At the end of the quarter, FDV reported A\$29.2m in cash and cash equivalents.

During the quarter, Catcha Group Pte Ltd executed on off-market block trade, broadening FDV's investor base with the addition of several new domestic and international institutional shareholders. The transaction has resulted in a significant increase in FDV's free float and trading liquidity, which are key eligibility conditions for inclusion in the S&P/ASX 300 Index. Following the Catcha Group transaction, Perennial Value Management lodged a notice of initial substantial holder form, disclosing a 6.3% shareholding in FDV as at 20 January 2020.

Appendix 1: Average exchange rate movements

	% revenue 1Q 2021 (FDV % share basis)	Country	Currency	1Q 2021 average exchange rate	1Q 2020 average exchange rate	Change
Zameen, Pakwheels	38%	Pakistan	AUD:PKR	122.63	102.51	19.6%
Fincaraíz	18%	Colombia	AUD:COP	2750.24	2323.39	18.4%
Moteur, Avito	16%	Morocco	AUD:MAD	6.92	6.35	9.0%
InfoCasas	9%	Uruguay	AUD:UYU	33.29	25.93	28.4%
		Paraguay	AUD:PYG	5203.90	4298.68	21.1%
		Peru	AUD:SOL	2.83	2.24	26.4%
		Bolivia	AUD:BOB	5.33	4.55	17.3%
Yapo	8%	Chile	AUD:CLP	559.24	528.39	5.8%
Encuentra24	5%	Panama	AUD:USD	0.77	0.66	17.4%
		Costa Rica	AUD:CRC	473.04	375.23	26.1%
		Guatemala	AUD:GTQ	5.99	5.05	18.6%
		El Salvador	AUD:SVC	6.76	5.76	17.4%
		Nicaragua	AUD:NIO	27.07	22.44	20.6%
		Honduras	AUD:HNL	18.73	16.22	15.5%
AutoDeal, Hoppler	2%	Philippines	AUD:PHP	37.33	33.49	11.5%
Tayara	2%	Tunisia	AUD:TND	2.10	1.87	12.6%
LankaPropertyWeb	1%	Sri Lanka	AUD:LKR	150.50	120.30	25.1%
iMyanmarhouse, CarsDB	1%	Myanmar	AUD:MMK	1066.96	945.63	12.8%
PropertyPro	<1%	Nigeria	AUD:NGN	273.53	238.85	14.5%
MeQasa	<1%	Ghana	AUD:GHS	4.48	3.54	26.4%

Source: IRESS

Note: Fincaraíz , Avito, Tayara and Yapo were acquired subsequent to 1Q 2020, however they have been included for completeness.

- ENDS -

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

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About FDV

Frontier Digital Ventures (FDV) is a leading owner and operator of online marketplace businesses in fast growing emerging markets. Currently, FDV's portfolio consists of 16 market leading companies, operating across 20 markets in Developing Asia, Latin America and MENA. FDV works alongside local management teams across property, automotive and general classifieds, providing strategic oversight and operational guidance which leverages FDV's deep classifieds experience and proven track record. FDV seeks to unlock further monetisation opportunities beyond the typical classifieds revenue, to

grow the equity value of its operating companies and realise their full potential. Find out more at frontierdv.com.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

FRONTIER DIGITAL VENTURES LTD.

ABN

25 609 183 959

Quarter ended ("current quarter")

31 MARCH 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	10,043	10,043
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(4,600)	(4,600)
(c) advertising and marketing	(1,625)	(1,625)
(d) leased assets	-	-
(e) staff costs	(5,866)	(5,866)
(f) administration and corporate costs	(394)	(394)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(44)	(44)
1.6 Income taxes paid	(24)	(24)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,508)	(2,508)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	(24,353)	(24,353)
(c) property, plant and equipment	(87)	(87)
(d) investments	(143)	(143)
(e) intellectual property	-	-
(f) other non-current assets	(370)	(370)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (<i>deconsolidation of a subsidiary</i>)	(622)	(622)
2.6	Net cash from / (used in) investing activities	(25,575)	(25,575)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1,635)	(1,635)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	6	6
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(1,629)	(1,629)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	59,160	59,160
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,508)	(2,508)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(25,575)	(25,575)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,629)	(1,629)
4.5	Effect of movement in exchange rates on cash held	(224)	(224)
4.6	Cash and cash equivalents at end of period	29,224	29,224

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	28,750	59,160
5.2	Call deposits	474	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	29,224	59,160

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	50
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Note 6.1 Relates to payment of Director's fees and payment to Director's associate company for the Company Secretarial fees.</p>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,508)
8.2 Cash and cash equivalents at quarter end (item 4.6)	29,224
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	29,224
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	11.65
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2021

Authorised by: The Board of Frontier Digital Ventures Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.