

**ASX Code: FDV**

27 February 2017

## 2016 Full Year Results

- **Unaudited total revenue across the portfolio of A\$13.4m (100% basis), up 82% from A\$7.3m in 2015**
- **Frontier's economic share of revenue was A\$3.9m in 2016, up 139% from A\$1.6m in 2015**
- **Strong financial and operational performance validates Frontier's differentiated strategy of partnering with local entrepreneurs**
- **Zameen value increase of 22.5x since Frontier's initial investment provides clear demonstration of ability to execute**
- **Strong balance sheet with A\$25.1m of cash and term deposits at 31 December 2016**

Frontier Digital Ventures Limited ("Frontier" or the "Company", ASX: FDV), the leading global operator of online classifieds businesses in frontier markets, today announced its full year results for the year ended 31 December 2016.

The 2016 financial year was a transformative period for Frontier having listed on the ASX on 26 August 2016, optimised its portfolio and consolidated its market leading position in Frontier markets. Frontier has now established a portfolio of 15 online classifieds investments across Asia (ex. China and India), West Africa, East Africa, MENA and Central America, with equity ownership levels of between 30% and 76%. The 15 online classifieds investments generated total revenue of A\$13.4m in 2016 (100% basis, unaudited), up from A\$7.3m for the year ended 31 December 2015.

By the end of the 2016 financial year, 6 out of 15 of these investments had progressed to significant monetisation stage and are now solely focused on rapidly expanding revenues by capitalising on a market leading position in their respective jurisdictions. In addition, a further 2 of the investments are now reaching the monetisation stage.

A number of investments continued to meet or exceed agreed performance KPIs by executing on Frontier's best-practice classifieds business model. This is being progressively validated through successful subsequent funding rounds during the 2016 financial year. Zameen is a clear example of the value creation, where Frontier's 30% share of the equity valuation has increased from US\$1.2m in March 2014 to US\$27m in the latest October 2016 funding round, up 22.5x on Frontier's initial investment.

### **Frontier's CEO and Founder, Shaun Di Gregorio said:**

*"Achieving a market leading position across our portfolio companies and the continued roll-out of the successful Zameen blueprint will remain our key focuses for 2017. This should continue to produce material increases in the equity value of Frontier's portfolio over time."*

*"Frontier continues to establish strong brand awareness within our target markets as the funding partner of choice for successful entrepreneurs. 2017 has started strongly and we are excited about the significant optionality and potential of our portfolio."*

### Understanding the statutory financial report

Due to the nature of Frontier's investment portfolio, with a mixture of consolidated and associate accounted investments, the statutory financials present only a partial picture of the underlying performance of the portfolio. The current portfolio contains 10 investments which are currently accounted on a consolidated basis and 5 investments which are reported as "associates" under the equity method in AASB 128.

**Table 1: Accounting treatment of Frontier's current portfolio investments**

<b>Consolidated investments (100% of financials included in statutory revenue)</b>	<b>Equity accounted investments (excluded from statutory revenue)</b>
Encuentra24	Zameen
iMyanmarHouse	Pakwheels
carsDB	Kupatana
LankaPropertyWeb	Moteur
ToLet	casaMozambique
meQasa	
Afribaba	
carWangu	
IMCongo	
Angocasa/Angolacarr	

It is important to note the consolidated group revenue of A\$2.1m for the year ended 31 December 2016 only incorporates 100% of consolidated revenue from the time which the underlying entity became consolidated. Hence only partial revenue for 2016 was recognised for several investments which consolidated during the year.

Table 2 provides a summary of Frontier's economic share of revenue generated by each portfolio investment. The underlying revenue shown represents Frontier's equity share of full year revenue for 2016. The positive trends are consistent across Frontier's full portfolio. Refer to the Appendix for further detailed revenue analysis and a reconciliation to the statutory accounts.

**Table 2: Full year revenues by segment (unaudited, FDV economic share)**

	<b>2016 Revenue A\$</b>	<b>2015 Revenue A\$</b>	<b>Growth %</b>
Afribaba	17,950	-	-
carsDB	56,201	21,246	165%
carWangu	-	-	-
Encuentra24	1,228,905	708,051	74%
IMCongo	12,403	-	-
iMyanmarhouse	270,097	138,629	95%
LankaPropertyWeb	41,326	5,882	603%
meQasa	6,680	36	18,308%
TechAfrica (Angocasa/Angolacarr)	-	-	-
ToLet	42,715	-	-
<b>Subtotal (consolidated investments)</b>	<b>1,676,278</b>	<b>873,844</b>	<b>92%</b>
Associates			
- Zameen	1,725,022	527,724	227%
- Other associates	500,222	231,745	116%
<b>Total unaudited revenue</b>	<b>3,901,522</b>	<b>1,633,312</b>	<b>139%</b>

### Portfolio investments

Over the 2016 financial year, Frontier invested over A\$11.8m across both new and existing businesses. The largest investment in 2016 was a further US\$2.1m (A\$2.8m) provided to Zameen, the #1 property portal in Pakistan. Frontier continues to take a prudent approach to capital allocation and will only support investments that continue to meet or exceed pre-agreed performance milestones.

The detailed breakdown of investments made by Frontier in 2016 is provided in Table 3.

**Table 3: Summary table of investments made by Frontier in 2016**

Investment	Type	Amount (A\$)
Zameen	Subsequent funding round	2,824,859
Pakwheels	Performance based call option	336,293
	Performance based call option	336,293
iMyanmarhouse	Performance based call option	941,620
	Performance based call option	391,083
carsDB	Performance based call option	672,585
	Vendor shares – options	443,906
Encuentra24	Performance based call option	1,412,429
	Performance based call option	1,295,936
casaMozambique	Tranche payment	336,293
meQasa	Performance based call option	391,798
Moteur	Performance based call option	336,293
	Vendor shares - options	107,614
Afribaba	Tranche payment	199,548
	Tranche payment	196,773
carWangu	Tranche payment	106,425
	Tranche payment	104,946
TechAfrica	Initial investment	83,811
	Tranche payment	78,709
IMCongo	Initial investment	245,064
	Tranche payment	154,040
ToLet	Initial investment	823,158
<b>Total</b>		<b>11,819,475</b>

Frontier recognised a A\$4.1m gain from deemed disposal of associate shareholdings in the 2016 consolidated statement of comprehensive income. This relates to an accounting gain where Frontier gained accounting control either via a step acquisition or new investment during the year. Refer to Note 22 for further details.

## Corporate

Frontier successfully completed its initial public offering ("IPO") on the ASX in August 2016. The IPO, underwritten and lead managed by Bell Potter Securities Ltd and Morgans Corporate Ltd, raised a total of A\$30m before costs.

The statutory financials highlight a net loss of A\$4,603,325 for Frontier, which includes the impact of associate investments. The Company also recorded a net operating cash outflow of A\$5,050,266 for the 2016 financial year. Refer to Note 23 for a detailed reconciliation of statutory net profit before tax to the underlying net operating cash flow.

Frontier held A\$25.1m cash, cash equivalents and term deposits as at 31 December 2016.

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## 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 19 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.

## APPENDIX

**Table 4: Full year revenues and EBITDA by segment (unaudited, 100%)**

	2016 Revenue A\$	2016 EBITDA A\$
Afribaba	30,919	(340,834)
carsDB	92,155	(433,086)
carWangu	-	(138,876)
Encuentra24	5,024,731	(1,592,640)
IMCongo	20,453	(288,625)
iMyanmarhouse	737,713	(264,021)
LankaPropertyWeb	127,395	(219,174)
meQasa	10,386	(583,237)
TechAfrica (Angocasa/Angolacarr)	-	(146,364)
ToLet	146,991	(111,462)
<b>Subtotal (consolidated investments)</b>	<b>6,190,742</b>	<b>(4,118,318)</b>
Associates		
- Zameen	5,750,072	(4,475,577)
- Other associates	1,419,682	(3,845,818)
<b>Total</b>	<b>13,360,496</b>	<b>(12,439,705)</b>

**Table 5: Statutory revenues and EBITDA by segment (audited)**

	2016 Revenue A\$	2016 EBITDA A\$
Afribaba (100% consolidated from September 2016)	20,319	(146,567)
carsDB (100% consolidated from September 2016)	43,064	(173,913)
carWangu (100% consolidated from September 2016)	-	(61,069)
Encuentra24 (100% consolidated from September 2016)	1,587,520	(694,002)
IMCongo (100% consolidated from March 2016)	20,453	(269,206)
iMyanmarhouse (100% consolidated from September 2016)	312,014	(6,743)
LankaPropertyWeb (100% consolidated from September 2016)	42,338	(78,955)
meQasa (100% consolidated from September 2016)	10,058	(141,643)
TechAfrica (Angocasa/Angolacarr) (100% consolidated from March 2016)	-	(144,463)
ToLet (100% consolidated from June 2016)	103,785	(105,670)
Corporate (and consolidation)	-	(1,859,649)
<b>Total for statutory accounts</b>	<b>2,139,551</b>	<b>(3,681,880)</b>

**Figure 1: Reconciliation of revenue metrics quoted (unaudited)**

