

ASX Code: FDV

26 October 2018

Strong portfolio revenue growth and FY18 guidance reaffirmed

Frontier Digital Ventures Limited ("FDV", ASX: FDV) is pleased to announce its results for the September quarter 2018 ("3Q 2018").

- **Portfolio revenues up +61% on pcp to a record A\$11.1m (100% basis).**
- **Portfolio revenue has now reached a milestone of over A\$10m per quarter**
- **+56% increase on pcp for FDV's economic share of revenue to A\$3.7m**
- **FDV reaffirms its portfolio revenue guidance of A\$40m for the full year 2018**
- **FDV expects that 7 of its operating companies will reach the A\$1.0m revenue milestone for 2018**
- **Strong cash balance maintained with A\$20.2m at 30 September 2018**

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

"We are pleased with the performance of our portfolio this quarter, particularly in the face of challenging broader market conditions. The +61% increase in revenues is a very strong result and positions FDV to achieve it's A\$40m revenue guidance for 2018 (100% basis)."

"The A\$40m revenue target 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)

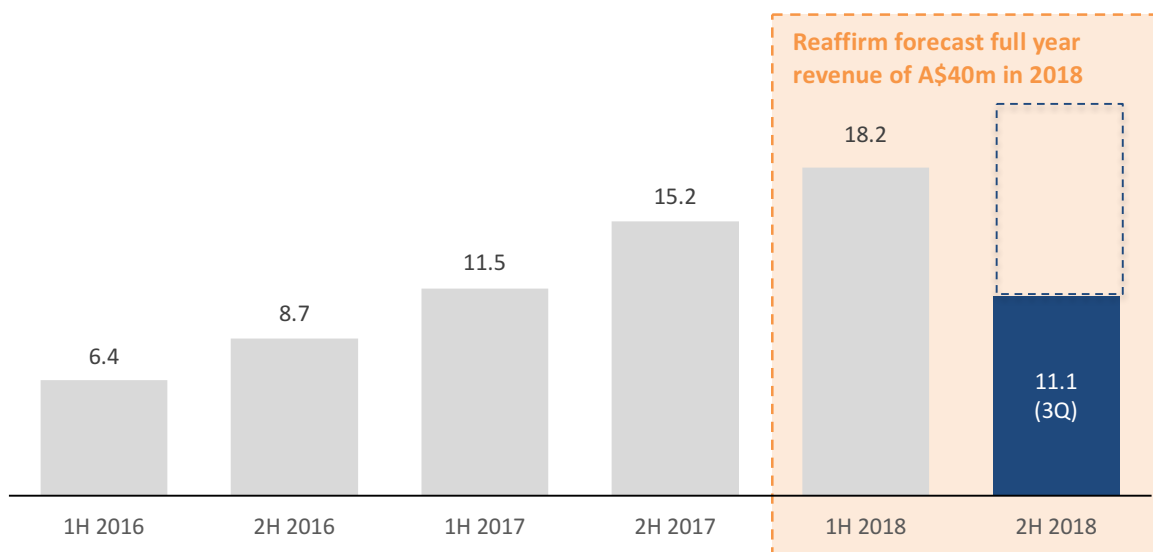


Table 1: Quarterly revenues by business (100% basis, pro-forma unaudited)

	FDV ownership (%)	3Q 2017 Revenue A\$ (100% basis)	3Q 2018 Revenue A\$ (100% basis)	Growth (% in A\$)
Consolidated investments				
AutoDeal	33%	218,066	290,248	+33%
CarsDB	76%	44,692	126,539	+183%
Encuentra24	42%	1,774,055	1,897,601	+7%
Hoppler	21%	120,018	223,265	+86%
iMyanmar	43%	236,097	269,648	+14%
Lanka	48%	72,996	108,171	+48%
Meqasa	86%	12,365	50,087	+305%
TechAfrica	75%	0	50,433	n.m
ToLet	39%	77,025	113,169	+47%
Associates				
Zameen	30%	3,247,008	6,319,510	+95%
Pakwheels	37%	454,402	421,106	(7%)
Infocasas	31%	322,627	770,986	+139%
Propzy	20%	247,078	344,942	+40%
Moteur	56%	25,869	61,444	+138%
Total revenue		6,884,810	11,070,188	+61%

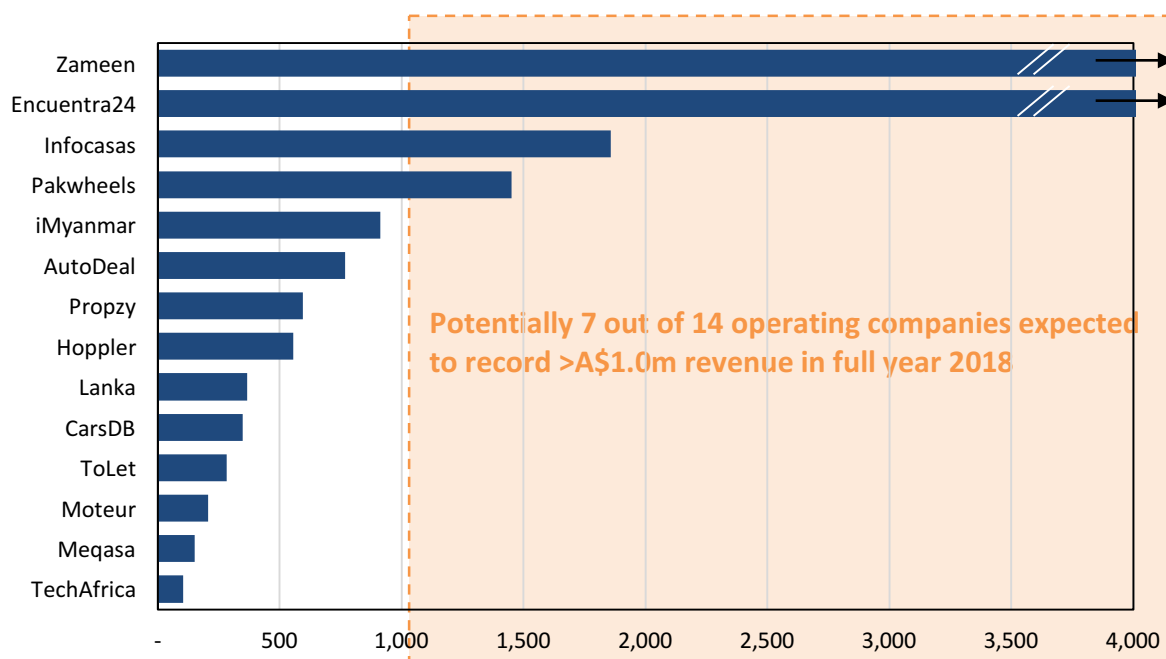
Table 2: Quarterly revenues by business (FDV ownership basis, pro-forma unaudited)

	FDV ownership (%)	3Q 2017 Revenue A\$ (FDV basis)	3Q 2018 Revenue A\$ (FDV basis)	Growth (% in A\$)
Consolidated investments				
AutoDeal	33%	72,689	106,934	+47%
CarsDB	76%	34,182	96,781	+183%
Encuentra24	42%	746,327	798,301	+7%
Hoppler	21%	0	45,966	n.m.
iMyanmar	43%	100,658	114,962	+14%
Lanka	48%	34,859	51,657	+48%
Meqasa	86%	8,186	43,175	+427%
TechAfrica	75%	0	37,825	n.m.
ToLet	39%	30,407	44,675	+47%
Associates				
Zameen	30%	974,103	1,895,854	+95%
Pakwheels	37%	167,411	155,144	(7%)
Infocasas	31%	30,322	241,562	+696%
Propzy	20%	52,017	70,396	+35 %
Moteur	56%	12,589	34,599	+175%
Total revenue		2,263,747	3,737,832	+56%

MATURATION OF FDV'S PORTFOLIO

FDV's portfolio continues to rapidly mature as demonstrated with the continued strong revenue growth in 3Q 2018. Based on YTD 2018 revenues and trading in October 2018, FDV expects that it will reach its previously stated revenue guidance of A\$40m (100% basis) for the full year 2018. The portfolio-wide maturation is best demonstrated in Figure 2, where 7 out of 14 operating companies are expected to record >A\$1.0m in revenue in 2018.

Figure 2: Portfolio revenues – YTD FY18 (A\$000, pro-forma unaudited, 100% basis)



The A\$1m annual revenue milestone is significant within the online classifieds industry as it lays a strong foundation for the business to realise significant value in the future. The milestone relies on the achievement of market leadership and commencement of revenue generation from its position of market strength. The business model and strategy has been proven in the initial growth phase and pushing toward A\$5m revenue then relies on successful execution of the agreed strategy.

OPERATIONAL HIGHLIGHTS

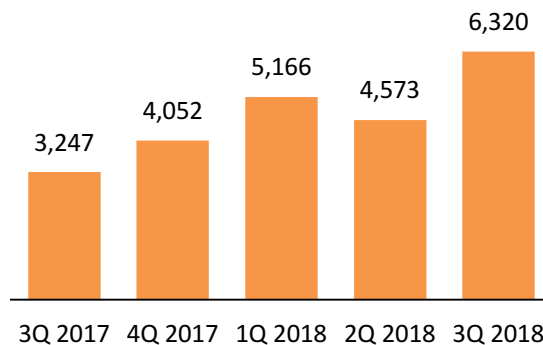
Despite some of the challenges and headwinds faced by many of FDV's peers who are operating in the emerging and frontier markets, FDV continues to perform strongly across its portfolio.

The challenging market highlights the benefits of having a diversified portfolio which can be seen through some of the key investments below. Some key performance metrics for **Zameen**, **Infocasas**, **Encuentra24**, **Hoppler** and **CarsDB** are listed below:

Zameen, the #1 property portal in Pakistan continues to leverage its position, with strong performance in the quarter reporting A\$6.3m for the quarter up +95% vs the pcq.

Despite the political uncertainty, the property market remains strong with many Pakistani expatriates taking advantage of the weaker PKR driving an increase in property volumes

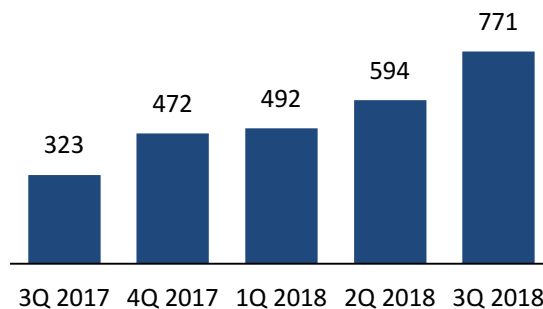
Quarterly revenue (A\$000, 100% basis unaudited)



Infocasas, the #1 property platform in Uruguay and Paraguay and the fastest growing property portfolio in Bolivia, continues to demonstrate strong revenue growth as leverages its market leadership. Infocasas grew strongly reporting \$771k for the quarter up +139% vs the pcq.

The business continues to implement its best-practice strategies in conjunction with FDV's management team which has seen the business achieve strong revenue growth in recent times

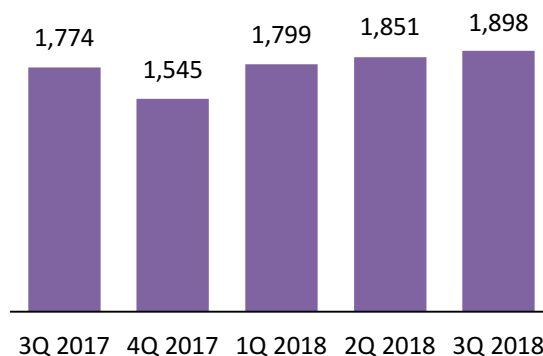
Quarterly revenue (A\$000, 100% basis unaudited)



Encuentra24, the leading general classifieds platform in Central America reported a relatively flat quarter reporting A\$1.9m for the quarter up +7% vs the pcq.

The results reflect the continual progress that the business is making in re-focussing its strategy and restructuring its execution capabilities to target the vertical categories in property, automotive and employment.

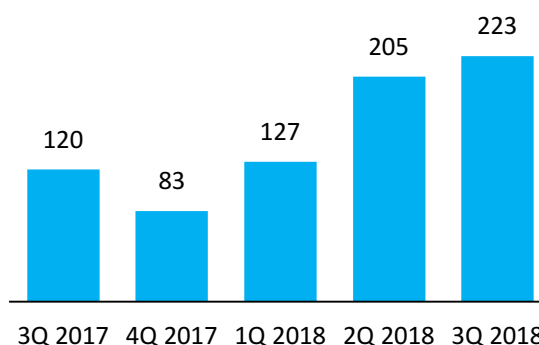
Quarterly revenue (A\$000, 100% basis unaudited)



Hoppler, is an innovative online platform used by vendors, buyers and agents in the Phillipines to facilitate property transactions. It reported a strong quarter with revenue of A\$223k for the quarter up +86% vs the pcg.

Hoppler's results highlight the strong traction that the business has made in the region as the business continues to roll-out its transaction focussed model.

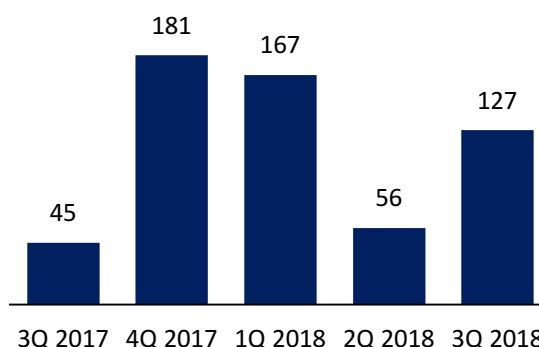
Quarterly revenue (A\$000, 100% basis unaudited)



CarsDB, the leading automotive classifieds platform in Myanmar reported a strong quarter reporting A\$127k for the quarter up 183% vs the pcg.

The business has grown rapidly on the back of a surge in the number of internet users in Myanmar and also due to recent changes in the way consumers are buying cars in Myanmar.

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



ACTIVITY WITHIN THE EXISTING PORTFOLIO

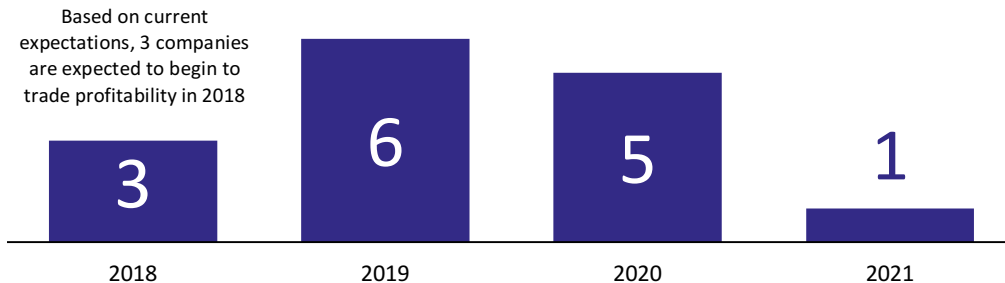
On 1 August 2018, FDV received a cash payment of A\$1.9m from IZH Holdings, a private investment company which owns 70% of Zameen. The payment was consideration for FDV cancelling its option to acquire a 1.3% stake in IZH Holdings. The transaction highlights an example of FDV's ability and willingness to monetise equity interests and generate cash flows across its portfolio of leading online classifieds business

During 3Q 2018, FDV decided to withdraw financial support from Kupatana, which generated A\$23k revenue during the quarter. The decision was made on the basis of Kupatana failing to meet the increasing performance expectations held by FDV across its portfolio of operating companies. While FDV will retain its current equity interest, FDV will provide no additional funding support and expects to record a minor write-down in the current accounting period.

PORTFOLIO PROGRESSION TO PROFITABILITY

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. Figure 3 shows the year in which each of FDV's current portfolio companies are expected to trade profitably.

Figure 3: Current expectation of profitability timing across FDV's portfolio (#)



Please note: This chart is based on expectations as at the date of this announcement. The exact profitability 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 near term profitability. FDV therefore expects some variance to the current profitability forecasts provided in this release.

Potential factors influencing profitability 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

- ENDS -

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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.