

ASX Code: FDV

5 November 2018

External funding round to drive CarsDB.com towards profitability

- Two external investors will invest US\$700k into CarsDB.com at a fully diluted pre-money valuation of US\$8.0m
- Pre-money valuation of US\$8.0m represents a 6x increase on FDV's initial investment
- CarsDB.com is the #1 online auto classifieds in Myanmar and is monetising this position with a +201% increase in revenue in the 9 months YTD on pcg
- Funds raised will help drive CarsDB.com towards profitability
- The external funding round highlights the maturation of FDV's operating companies by attracting external investment following a track record of revenue growth

Frontier Digital Ventures Limited ("FDV") is pleased to report an external funding round has completed at one of its market leading operating companies, CarsDB.com. Under the terms of the investment, Emerging Markets Entrepreneurs ("EME") and United Managers Japan Inc. ("UMJ") and will provide US\$200k and US\$500k respectively in primary capital at a pre-money valuation of US\$8.0m to acquire a combined 8.05% equity ownership. The pre-money valuation of US\$8.0m represents a 6x valuation increase on FDV's initial investment which was made in November 2014.

The valuation uplift also highlights the equity value created through FDV's structured investment approach, having exercised two equity options to acquire 16.7% of CarsDB.com in May 2016 for a combined US\$830k.

Successful completion of the external funding round, and additional grant of performance shares to the founders, will result in a dilution of FDV's equity interest in CarsDB.com from 76.48% to 64.81%. The performance shares were granted to the founders of CarsDB.com for exceeding revenue targets for the full year 2017.

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

"The 6x valuation uplift through the external funding round is a great demonstration of the value created through FDV's optimisation strategy and our ability to identify high potential online classified businesses in frontier and emerging markets. CarsDB.com is at an exciting stage of revenue growth, with revenues increasing +201% in YTD 2018 on pcg. We are pleased that it has commenced monetisation having clearly consolidated its position as market leader over the past two years."

"We remain bullish on Myanmar as an investment destination given its significant population of over 53 million and a forecast GDP growth rate of ~7% in the next 3 years according to the World Bank (2017)."

The introduction of new sophisticated investors to the CarsDB.com register provides an external validation of the value uplift generated through FDV's optimisation process since investing in November 2014, a core pillar of FDV's stated strategy. FDV expects that in time it will reduce participation in future funding rounds and focus on crystallising the value uplift from its optimisation process.

About the investors

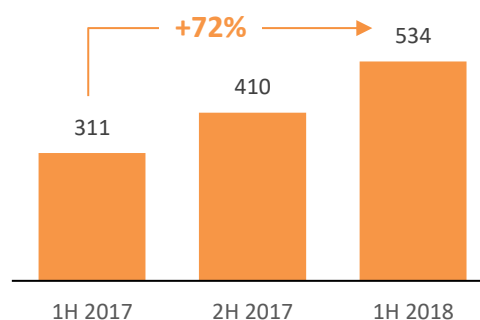
EME and UMJ are early stage venture capital investors with a focus on Myanmar. They have a track record of investing in high quality, early-stage technology businesses with the potential for exponential value growth. EME is related to an emerging market consulting practice that provides public and private sector consulting work for the World Bank and the Asian Development Bank. The managers of the EME and UMJ funds include Hitoshi Ikeya, a former investor banker for Morgan Stanley and Goldman Sachs in Japan who has lived in Myanmar for over 20 years.

Key operational highlights

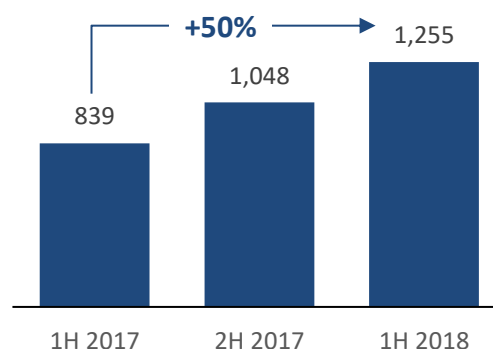
CarsDB.com had a strong focus on increasing its leadership position in 2017, starting with expanding key operational metrics (including sessions, pageviews and advertisers). **Total pageviews** data is often used as the proxy for market leadership, with CarsDB.com now the clear #1 auto portal in Myanmar.

CarsDB.com continues to experience strong growth in **registered users** on its online platform. This is driven by CarsDB.com successfully capitalising on evolving government policies which have reduced regulatory hurdles for new car imports and increasing mobile penetration rates.

Total pageviews (m)

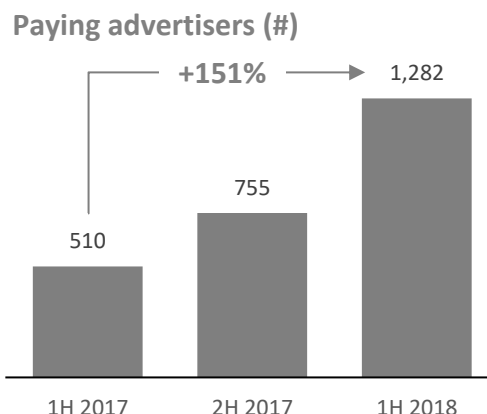


Registered users (000s)



Paying advertisers is one of the key metrics which demonstrate successful monetisation from a position of market leadership.

Following the guidance of FDV's management and optimisation strategy, the CarsDB.com team have been able to secure an increasing amount of paying advertisers which directly drives revenue growth.



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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 14 leading companies, operating businesses across 14 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.