

ASX Code: FDV

31 January 2017

Appendix 4C – 4Q 2016

- **Highly successful capital raising completed for Zameen, valuing Frontier's 30% stake at US\$27m (compared with US\$4.8m invested to date)**
- **Call option in Encuentra24.com exercised, increasing Frontier's stake in the leading Central American online classifieds company from 34.9% to 38.7%**
- **Rapid growth of portfolio companies continues with statutory cash receipts of A\$1.7m for the December quarter (up +158% on September quarter)**
- **Strong balance sheet with A\$25m of cash at 31 December 2016**

Frontier Digital Ventures Limited ("Frontier", ASX: FDV) is pleased to announce its December quarter 2016 results. The December quarter represents the fourth quarter for Frontier's fiscal year ended 31 December 2016, with full year results to be released in late February 2017.

Frontier's CEO and Founder, Shaun Di Gregorio said: *"Our performance in the December quarter concludes a successful 2016 financial year for Frontier. Strong growth in cash receipts and KPIs continued in the December quarter across our portfolio. The valuation achieved in the last Zameen funding round provides a clear demonstration of Frontier's potential to generate significant equity value for shareholders across our portfolio of 15 leading online classifieds businesses in some of the fastest growing frontier markets."*

Portfolio highlights

During the December quarter Frontier participated in a capital raising for Zameen, the #1 property portal in Pakistan. Frontier invested a further US\$2.1m into Zameen to maintain its current 30% equity shareholding. The capital raising was conducted via a rights issue to existing shareholders following rapid growth of the business with year-on-year revenue growth of 217%. The valuation of Frontier's 30% stake in Zameen following the capital raising was US\$27m, which represents an increase of +463% on Frontier's total investment to date.

Zameen was the first investment made by Frontier, completed in March 2014. Frontier is rolling-out the Zameen blueprint across its portfolio of 15 online classifieds companies it has since acquired, in order to rapidly progress them towards monetisation.

Also during the December quarter, Frontier exercised its option to subscribe for new shares in Encuentra24.com, the leading online classifieds portal in Central America, for a milestone payment of US\$0.9m. The option was exercised on the basis of E24 continuing to exceed KPIs

including growth in advertisers and listings, increasing monthly site visits, effective lead generation from consumers to advertisers, and continued revenue and EBITDA growth.

Underlying and statutory cash receipts

Due to the nature of Frontier's investment portfolio there will be a difference between the economic interest in group cash receipts and statutory cash receipts reported. The current portfolio contains 10 investments which are accounted on consolidated basis and 5 investments (including Zameen) which are reported as "associates" under the equity method in AASB 128. It is important to note that the Appendix 4C data reported by Frontier includes cash receipts from investments that are 100% consolidated, and not cash receipts from associates.

For more information, please contact:

Shaun Di Gregorio

Chief Executive Officer

Tel: +60 17 207 6221

Email: shaundig@frontierdv.com



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 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

FRONTIER DIGITAL VENTURES LTD

ABN

25 609 183 959

Quarter ended ("current quarter")

31 DECEMBER 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,697	2,355
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(620)	(743)
(c) advertising and marketing	(869)	(1,542)
(d) leased assets	29	(22)
(e) staff costs	(876)	(1,628)
(f) administration and corporate costs	(259)	(449)
1.3 Dividends received (see note 3)		
1.4 Interest received	57	68
1.5 Interest and other costs of finance paid	(1)	(7)
1.6 Income taxes paid	2	2
1.7 Government grants and tax incentives		
1.8 Other		(1,495)
1.9 Net cash from / (used in) operating activities	(840)	(3,466)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(64)	(187)
(b) businesses (see item 10)	766	2,918
(c) investments	(3,250)	(3,583)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(d) intellectual property		
	(e) other non-current assets	(50)	(70)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities	(254)	(254)
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(2,852)	(1,176)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		30,500
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		(1,509)
3.5	Proceeds from borrowings		212
3.6	Repayment of borrowings	(797)	(797)
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	(797)	28,406

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	29,055	854
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(840)	(3,466)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,852)	(1,176)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(797)	28,406

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	550	498
4.6	Cash and cash equivalents at end of quarter	25,116	25,116

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	20,116	29,055
5.2	Call deposits	5,000	
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)	25,116	29,055

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	9
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	0
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
6.1	Relates to payment of Directors' fees	

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	0
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	0
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	0	0
8.2 Credit standby arrangements	0	0
8.3 Other (please specify)	0	0
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	(708)
9.3 Advertising and marketing	(1,125)
9.4 Leased assets	(10)
9.5 Staff costs	(975)
9.6 Administration and corporate costs	(534)
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	(3,328)

10 Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Encuentra24.com AG	
10.2 Place of incorporation or registration	Switzerland	
10.3 Consideration for acquisition or disposal	4,618,914 ordinary shares of \$0.50 (at IPO) and USD3,050,000	
10.4 Total net assets	\$614,604	
10.5 Nature of business	Online general classifieds	

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.



Sign here:

(Director and Company secretary)

Date: 31 January 2017

Print name: Mark Licciardo

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.