

ASX Code: FDV

30 January 2019

Full year 2018 revenue and profitability guidance exceeded

Frontier Digital Ventures Limited ("FDV", ASX: FDV) is pleased to announce its results for the 12 months ended 31 December 2018 ("FY18").

- **+57% increase in full year FY18 portfolio revenue to A\$41.7m (100% basis), exceeding portfolio revenue guidance of A\$40.0m**
- **+66% increase in FDV economic share of FY18 portfolio revenue to A\$14.4m**
- **4 operating companies traded profitably in Q4 2018, exceeding prior guidance of 3 by the end of 2018**
- **7 companies recorded >A\$1.0m annual revenue in 2018 (up from 4 in 2017)**
- **Operational results highlight the strength of FDV's diversified portfolio of market leading classified businesses who continue to grow strongly through the market cycle**
- **Strong cash balance maintained with A\$19.3m at 31 December 2018**

FDV CONTINUES TO DELIVER ON ITS GUIDANCE



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

"2018 has been a year of consistent strategy execution and strong operational growth for FDV and its portfolio of market leading operating companies."

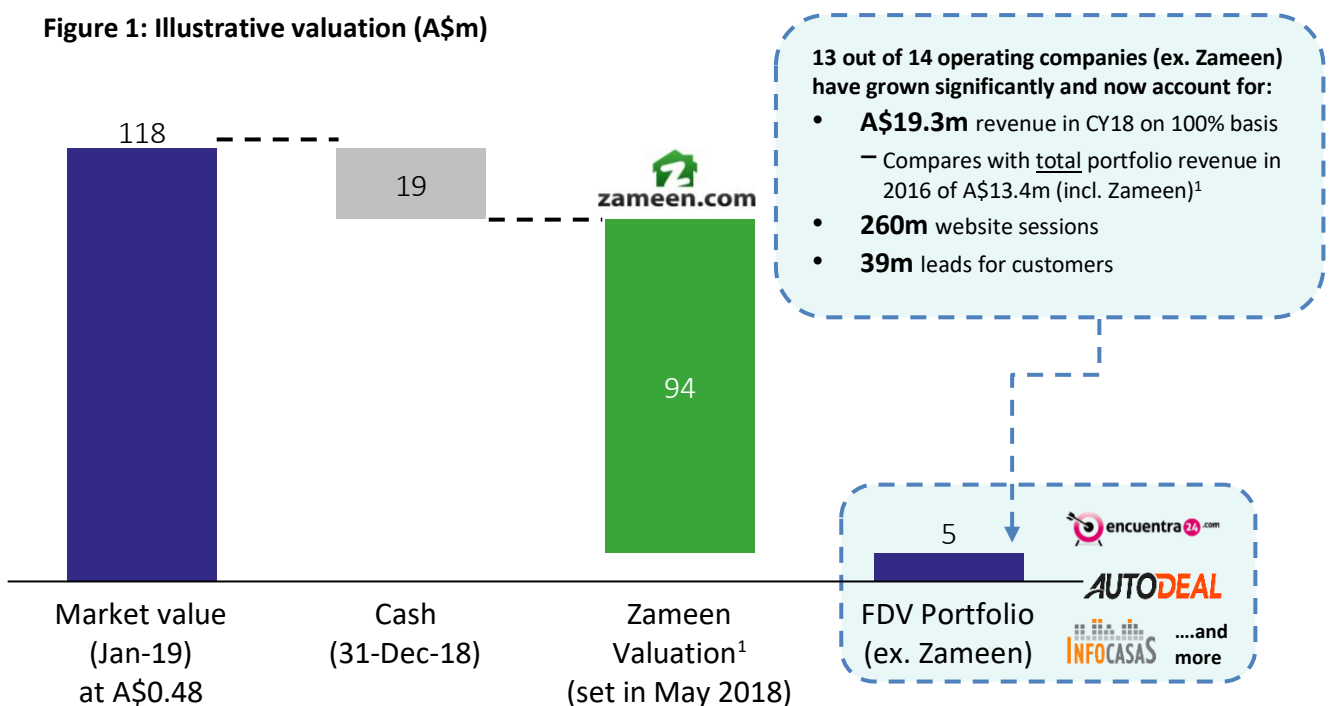
Over 12 months ago we outlined a clear strategy to increase shareholder value as our portfolio advances towards monetisation. FDV has delivered on both our financial and operational guidance with the company achieving A\$41.7m of revenue for the full year 2018 (100% basis). Our portfolio has grown exceptionally well since IPO, with a 5.6x increase in annual revenue (FDV basis) and 4 companies having traded profitably in Q4."

On 7 December 2018 FDV provided an update to investors on its strategy execution across 2018. FDV has successfully executed across 4 key areas of focus including:

✓ Property bias	<ul style="list-style-type: none"> Proportional property earnings have increased to 72% of total revenue in FY18 (up from 60% in FY17) Further investment in Zameen, Hoppler, LankaPropertyWeb
✓ Geographic focus	<ul style="list-style-type: none"> Further investment in Pakistan (Zameen), Philippines (Hoppler, AutoDeal) and Myanmar (CarsDB) LankaPropertyWeb acquired its competitor Lamudi.lk
✓ Portfolio revenue growth	<ul style="list-style-type: none"> Strong revenue growth of 57% (FY18 on pcp) to A\$41.7m Over A\$40.0m portfolio revenue in FY18, up from FY17 (A\$26.5m) 4 companies traded profitably in 4Q 2018
✓ Consolidate market leaders	<ul style="list-style-type: none"> All 14 operating companies in market leading positions Continued maturation with 7 out of 14 companies recording >A\$1.0m revenue in 2018

Based on the current market valuation, it appears that the consistent strategy execution and strong operational growth across FDV's portfolio has been underappreciated, particularly given the growth in the FDV portfolio (ex. Zameen) as highlighted in the chart below.

Figure 1: Illustrative valuation (A\$m)

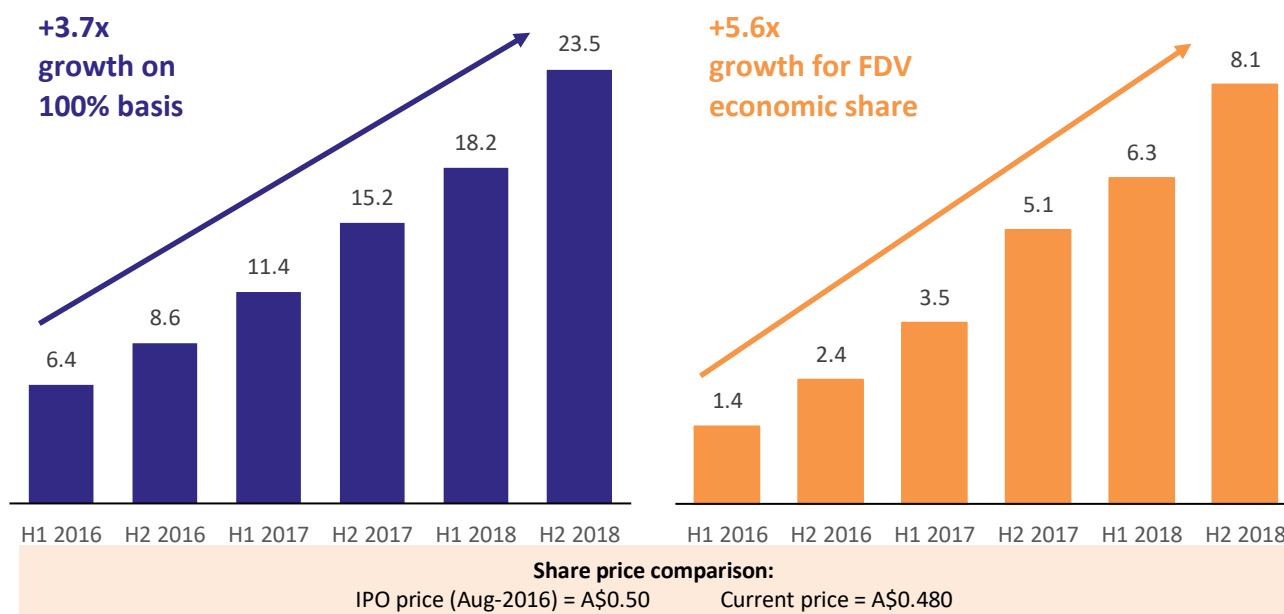


Note:

1. Total portfolio revenue for full year 2016 of A\$13.4m (100% basis) for 15 businesses at the time including Zameen

FDV has grown significantly since IPO in August 2016 across key operating and financial metrics. The portfolio revenue growth continues to increase consistently and rapidly, with total growth in FDV portfolio revenue of 3.7x since IPO (100% basis) and 5.6x (FDV economic share).

Figure 2: Portfolio revenue since IPO (A\$m, pro- forma unaudited)



7 out of 14 operating companies in the FDV portfolio generated >A\$1.0m of revenue by the full year 2018. The A\$1.0m annual revenue milestone is significant as it demonstrates the maturation of the FDV portfolio and lays out a strong foundation for the business to realise significant value in the future.

Table 1: Annual revenues by business (pro-forma unaudited, standalone basis)

	FDV ownership (%)	FY 2017 Revenue A\$ (100% basis)	FY 2018 Revenue A\$ (100% basis)	Growth (% in A\$)
Consolidated investments				
AutoDeal	37%	884,940	1,063,713	+20%
CarsDB	65%	296,785	720,605	+143%
Encuentra24	42%	6,617,180	7,474,347	+13%
Hoppler	40%	388,207	868,150	+124%
iMyanmar	43%	929,069	1,378,363	+48%
LankaPropertyWeb	48%	284,142	466,103	+64%
Meqasa	81%	86,292	200,607	+132%
TechAfrica	75%	1,982	141,453	+7,037%
ToLet	39%	348,415	450,725	+29%
Associates				
Zameen	30%	12,366,561	22,405,297	+81%
Pakwheels	37%	1,847,756	2,034,576	+10%
Infocasas	31%	1,356,652	2,812,271	+107%
Propzy	20%	925,587	1,287,290	+39%
Moteur	56%	200,051	373,572	+87%
Total revenue		26,533,573	41,677,070	+57%

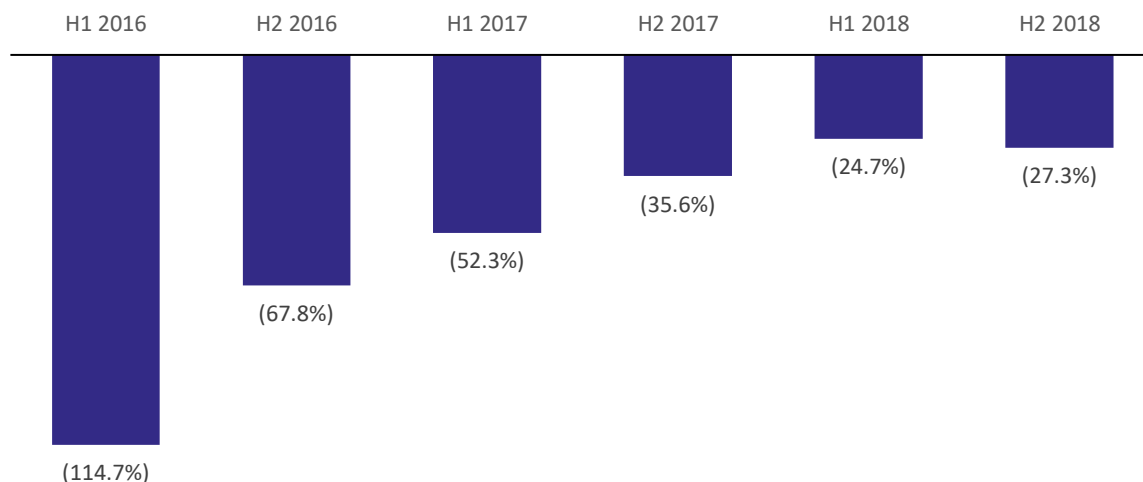
*Greater than >A\$1m in annual revenue

Table 2: Annual revenues by business (pro-forma unaudited, FDV economic share)

	FDV ownership (%)	FY 2017 Revenue A\$ (FDV basis)	FY 2018 Revenue A\$ (FDV basis)	Growth (% in A\$)
Consolidated investments				
AutoDeal	37%	182,040	381,466	+110%
CarsDB	65%	226,992	549,966	+142%
Encuentra24	42%	2,696,390	3,144,380	+17%
Hoppler	40%	12,036	203,347	+1,589%
iMyanmar	43%	396,102	587,654	+48%
LankaPropertyWeb	48%	130,605	222,588	+70%
Meqasa	81%	60,644	172,696	+185%
TechAfrica	75%	1,487	106,089	+7,037%
ToLet	39%	137,542	177,931	+29%
Associates				
Zameen	30%	3,709,969	6,721,591	+81%
Pakwheels	37%	680,750	749,578	+10%
Infocasas	31%	178,261	881,130	+394%
Propzy	20%	153,455	271,293	+77%
Moteur	56%	97,356	200,271	+106%
Total revenue		8,663,627	14,396,981	+66%

FDV's consistent revenue growth since IPO continues to reduce the relative EBITDA loss. Given the scalable nature of online classifieds investments, FDV expects the relative EBITDA loss to continue to reduce and subsequently turn positive as revenue expands.

Figure 3: Portfolio EBITDA as a % of revenue (FDV equity basis)¹



Note:

1. EBITDA as a % of revenue based on pro-forma unaudited figures for entities with continuing operations

PORTFOLIO OPTIMISATION

FDV has undergone a period of significant portfolio optimisation since IPO, with a number of portfolio upgrades, tier 1 acquisitions and exits of underperforming assets.

	1H16	Current
Tier 1 – monetising companies	6	12
Tier 2 – pre-monetisation stage	4	2
Tier 3 – growing operating metrics	5	Nil

During the quarter, FDV increased its equity interest in **Hoppler** from 20.6% to 40.2% through a milestone payment and acquisition of vendor shares after the business achieved its pre-agreed revenue target. Hoppler (www.hoppler.com.ph) is an innovative online property platform used by vendors, buyers and real estate agents in the Philippines to facilitate property transaction.

In addition, FDV consolidated its market presence in Sri Lanka through its **LankaPropertyWeb** business which acquired of Lamudi.lk, the second largest property portfolio in Sri Lanka. The acquisition further consolidates LankaPropertyWeb's position as the leading real estate platform in Sri Lanka.

OPERATIONAL HIGHLIGHTS

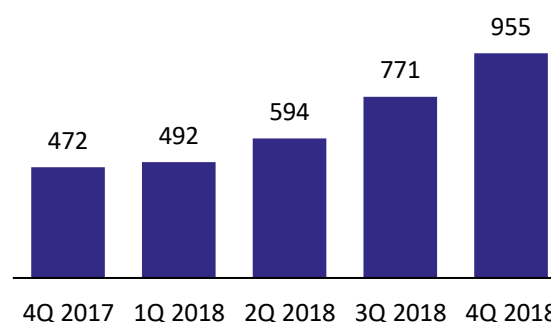
Despite some of the challenges and headwinds faced by many of FDV's peers who are operating in the emerging and frontier markets, FDV continues to perform strongly across its portfolio.

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 **Infocasas**, **Hoppler** and **CarsDB** are listed below:

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 \$955k for the quarter up +102% 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

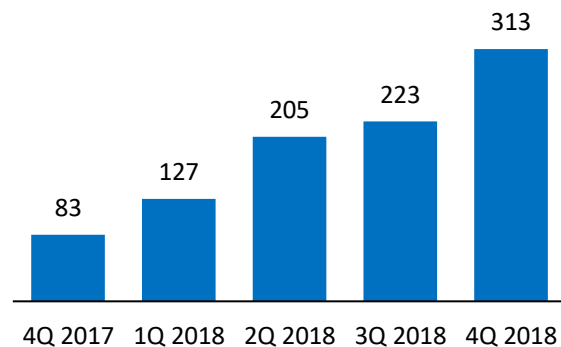
Quarterly revenue (A\$000, 100% basis unaudited)



Hoppler, is an innovative online platform used by vendors, buyers and agents in the Philippines to facilitate property transactions. It reported a strong quarter with revenue of A\$313k for the quarter up +279% vs the pcq.

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.

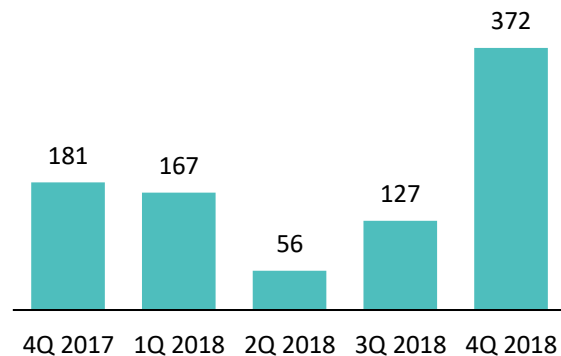
Quarterly revenue (A\$000, 100% basis unaudited)



CarsDB, the leading automotive classifieds platform in Myanmar reported a strong quarter reporting A\$372k for the quarter up 105% vs the pcq.

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)



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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 market 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.