

ASX Code: FDV

28 July 2021

## 2Q 2021 Quarterly Activity Report and Appendix 4C

Frontier Digital Ventures Limited ("FDV", ASX: FDV or the "Company") is pleased to release its Quarterly Activity Report and Appendix 4C for the June quarter ("2Q 2021").

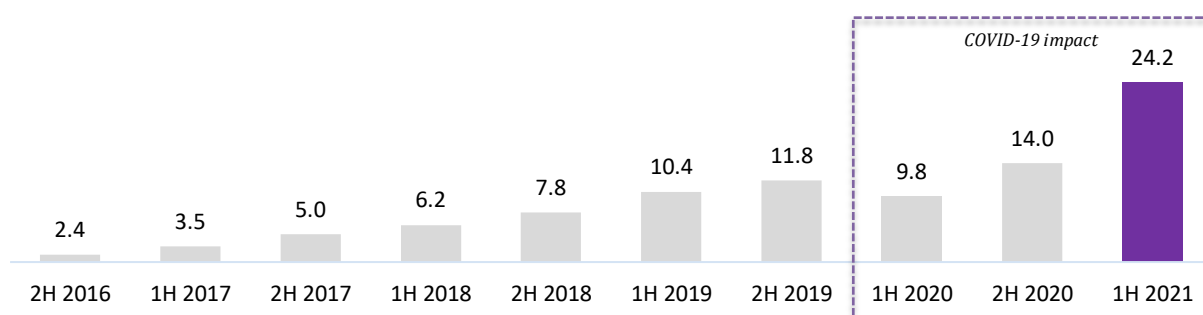
- **2Q 2021 annualised revenue of A\$52.8m on an FDV % share basis, which is 14x higher than FDV's revenue in 2016, the year of FDV's IPO**
- **Record half-year revenue of A\$24.2m on an FDV % share basis, increasing 148% on pcp, with organic growth and strategic acquisitions accelerating FDV's revenue trajectory**
- **Record half-year revenue for Zameen and Pakwheels on an FDV % share basis, increasing 51% and 107% on pcp, respectively, with both businesses delivering positive monthly EBITDA since December 2020**
- **Record half-year revenue for InfoCasas and Moteur on a 100% basis, increasing 111% and 149% on pcp, respectively, validating FDV's recent move to 100% ownership**
- **Fincaraíz, Avito, Tayara and Yapo as recent 100% acquisitions are all performing in line with expectations, with significant upside for FDV shareholders as they progress towards facilitating transactions**
- **Portfolio EBITDA margin of +7% in 1H 2021 (excluding the recent acquisitions), despite COVID-19 and FX headwinds, demonstrates FDV's proven ability to drive profitability at the operating company level**

### CONTINUED REVENUE GROWTH

FDV has reached a significant milestone with 2Q 2021 annualised revenue of A\$52.8m, which is 14x higher than FDV's revenue of A\$3.8m in 2016, the year of FDV's IPO. FDV reported record half-year revenue of A\$24.2m in 1H 2021, increasing 148% on 1H 2020 (FDV % share basis).

Figure 1 highlights the step change in the revenue trajectory of FDV's portfolio, underpinned by strong organic growth across the portfolio and highly strategic acquisitions.

**Figure 1: Half-year portfolio revenue since IPO<sup>1</sup> (A\$m, unaudited; FDV % share basis)**



Notes:

1. Results figures quoted for entities with continuing operations as at 30 June 2021

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

*"We are delighted to report the ongoing growth of the portfolio across 1H 2021, with record half-year revenue on an FDV % share basis. A number of the operating businesses reported record performance including Zameen, Pakwheels, InfoCasas and Moteur. Meanwhile, our recent 100% acquisitions of Fincaraíz, Avito, Tayara and Yapo are all tracking at or above our expectations, as the local management teams execute on their strategic roadmaps, including facilitating transactions.*

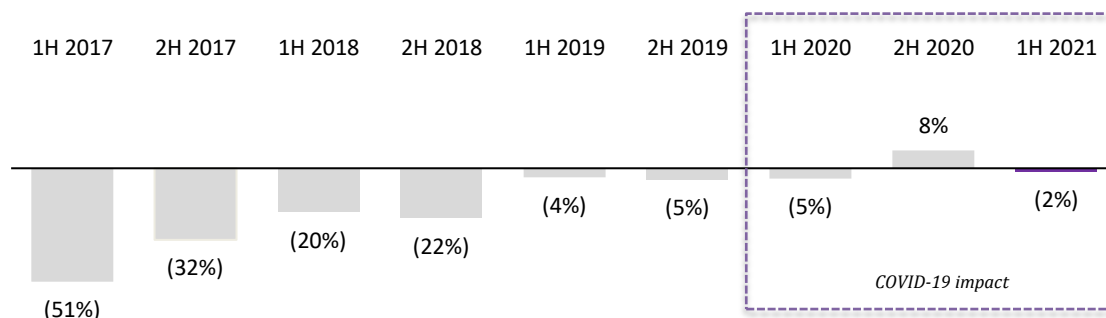
*Recent corporate transactions involving PropertyGuru and iCar Asia highlight the value of online classifieds businesses. Significant additional business and equity value can be created beyond the traditional classifieds model by leveraging market leadership to facilitate transactions and thereby enhance the revenue opportunity in each market. This is a strategy which FDV is pursuing across its portfolio as part of its long-term value creation strategy for shareholders."*

### ONGOING PROGRESS TOWARDS PROFITABILITY

FDV reported a portfolio EBITDA margin of (2%) in 1H 2021 (FDV % share basis), comfortably within FDV's target range. The equivalent like-for-like portfolio EBITDA margin in 1H 2021 would have been 7% (FDV % share basis) if Fincaraíz, Avito, Tayara and Yapo were excluded, representing a significant improvement in underlying operating performance compared to the EBITDA margin of (5%) reported in 1H 2020 (FDV % share basis).

FDV wishes to highlight the significant progress made in improving the profitability of the operating companies acquired prior to October 2020. When FDV first became a shareholder in these companies, all of them were recording EBITDA losses. There are now only 5 operating companies remaining in this category, with an EBITDA loss in aggregate of less than A\$100k in 2Q 2021 on an FDV % share basis. Of the new entities, FDV is pleased with the progress. They all have a clear pathway towards increased revenue growth and profitability, underpinned by FDV's proven ability to drive sustainable long-term growth.

**Figure 2: Portfolio EBITDA margin<sup>1</sup> (% unaudited, FDV % share basis)**



Notes:

- Results figures quoted for entities with continuing operations as at 30 June 2021

**Table 1: Half-year revenues by business<sup>1</sup> (unaudited, 100% basis)**

	FDV ownership (%)	1H 2021 Revenue A\$ (100% basis)	1H 2020 Revenue A\$ (100% basis)	Growth (% in A\$)	
Zameen	30%	27,442,056	18,053,610	52%	Recent move to 100%
InfoCasas <sup>2</sup>	100%	4,499,182	2,136,713	111%	
Fincaraiz <sup>3</sup>	100%	4,048,002	-	-	
Encuentra24 <sup>4</sup>	26%	4,023,171	3,097,617	30%	
Yapo <sup>5</sup>	100%	3,203,812	-	-	
Avito <sup>3</sup>	100%	2,933,769	-	-	
Pakwheels	37%	1,219,109	589,716	107%	
AutoDeal	56%	799,355	841,061	(5%)	
Tayara <sup>3</sup>	100%	444,074	-	-	
Hoppler <sup>6</sup>	51%	380,360	205,634	85%	
West Africa <sup>7</sup>	N/A	363,783	361,156	1%	
Moteur <sup>8</sup>	100%	350,273	140,535	149%	Recent move to 100%
LankaPropertyWeb <sup>9</sup>	53%	332,210	280,370	18%	
iMyanmarhouse <sup>9</sup>	53%	196,204	884,157	(78%)	Impacted by political unrest
CarsDB	65%	55,841	498,998	(89%)	
<b>Total revenue</b>		<b>50,291,202</b>	<b>27,089,568</b>	<b>86%</b>	
<b>Total revenue (excluding new entities<sup>10</sup>)</b>		<b>39,661,545</b>	<b>27,089,568</b>	<b>46%</b>	

**Table 2: Half-year revenues by business<sup>1</sup> (unaudited, FDV % share basis)**

	FDV ownership (%)	1H 2021 Revenue A\$ (FDV basis)	1H 2020 Revenue A\$ (FDV basis)	Growth (% in A\$)	
Zameen	30%	8,166,756	5,416,084	51%	Recent move to 100%
Fincaraiz <sup>3</sup>	100%	4,048,002	-	-	
Yapo <sup>5</sup>	100%	3,203,812	-	-	
Avito <sup>3</sup>	100%	2,933,769	-	-	
InfoCasas <sup>2</sup>	100%	2,480,441	1,114,082	123%	
Encuentra24 <sup>4</sup>	26%	1,057,692	1,303,135	(19%)	
Pakwheels	37%	449,120	217,263	107%	
AutoDeal	56%	445,960	469,228	(5%)	
Tayara <sup>3</sup>	100%	444,074	-	-	
Moteur <sup>8</sup>	100%	350,273	79,137	343%	Recent move to 100%
West Africa <sup>7</sup>	N/A	182,243	180,472	1%	
LankaPropertyWeb <sup>9</sup>	53%	176,104	143,899	22%	
Hoppler <sup>6</sup>	51%	148,347	82,731	79%	
iMyanmarhouse <sup>9</sup>	53%	103,262	423,377	(76%)	Impacted by political unrest
CarsDB	65%	36,191	323,404	(89%)	
<b>Total revenue</b>		<b>24,226,047</b>	<b>9,752,814</b>	<b>148%</b>	
<b>Total revenue (excluding new entities<sup>10</sup>)</b>		<b>13,596,390</b>	<b>9,752,814</b>	<b>39%</b>	

Notes:

1. Results figures quoted for entities with continuing operations as at 30 June 2021
2. FDV increased its shareholding in InfoCasas from 51% to 100% on 23 June 2021; 1H 2021 revenue contribution represents the proportional share of revenue
3. FDV acquired a 100% interest in Fincaraiz, Avito and Tayara on 8 October 2020
4. FDV ownership of Encuentra24 was 42% in 1Q 2020, prior to the business combination with OLX's Central American platforms
5. FDV acquired a 100% interest in Yapo on 25 February 2021
6. FDV increased its shareholding in Hoppler from 42% to 51% on 15 July 2021
7. West Africa includes PropertyPro (Nigeria: 39% owned) and MeQasa (Ghana; 69% owned)
8. FDV increased its shareholding in Moteur from 56% to 100% on 21 January 2021; 1H 2021 revenue contribution represents the proportional share of revenue
9. FDV increased its shareholding in iMyanmarhouse from 43% to 53% and in LankaPropertyWeb from 48% to 53% on 24 January 2020
10. New entities refers to Fincaraiz, Avito, Tayara and Yapo

## OPERATIONAL UPDATES

### Developing Asia - 39% of 1H 2021 revenue (FDV % share basis)

Zameen, the leading property portal in Pakistan, has reported record revenue of A\$27.4m and a standout EBITDA result of A\$3.3m, increasing A\$3.6m on the prior corresponding period (100% basis). Notably, Zameen has recorded positive EBITDA in every month since August 2020.

Pakwheels, the leading auto marketplace portal in Pakistan, has produced another strong half-year result, underpinned by the business's significant market position. Despite the negative impact of exchange rate movements, Pakwheels achieved record half-year revenue of A\$1.2m, increasing 107% on 1H 2020 (100% basis). The strong revenue growth has resulted in a positive half year EBITDA result of A\$137k, improving A\$611k on the prior corresponding period (100% basis).

### Latin America - 45% of 1H 2021 revenue (FDV % share basis)

InfoCasas, the leading property portal in Uruguay, Paraguay and Bolivia, achieved significant growth with 1H 2021 revenue of A\$4.5m (100% basis), increasing 111% on 1H 2020 and growing momentum across 2021 evidenced by 2Q 2021 revenue growing 38% on the previous quarter (100% basis). This significant result is in spite of exchange rate movements which has masked the magnitude of the result in local currency terms. The continued progress of InfoCasas validates FDV's movement to 100% ownership (see ASX release from 9 June 2021: 'FDV moves to 100% ownership of InfoCasas').

The local management teams of Yapo and Fincaraiz, the leading general classifieds and property portals in Chile and Colombia, respectively, continue to execute against their strategic plans following comprehensive operational reviews under new FDV ownership. Throughout the quarter, both businesses focused on initiatives designed to increase their transaction capabilities, improve the user experience of their platforms and open new ancillary revenue streams.

### MENA - 16% of 1H 2021 revenue (FDV % share basis)

Moteur, the leading new car portal in Morocco, produced a strong half-year result, supported by their strengthened position in the Moroccan market. Moteur achieved 1H 2021 revenue of A\$350k, increasing 149% on the prior corresponding period which follows FDV's move to 100% ownership in January 2021 (see ASX release from 21 January 2021: 'FDV acquires remaining 43.7% interest in Moteur'). Moteur continues to show improving operating leverage, with a second consecutive positive half-year EBITDA result. Both Moteur and Avito, the leading general classifieds portals in Morocco, continue to benefit from greater collaboration that is providing increased leads across both platforms as well as meaningful cost savings.

## PORTFOLIO PROGRESSION

In June 2021, FDV acquired the remaining issued capital in InfoCasas to move to 100% ownership, consolidating its position in South America with three wholly owned businesses across six key markets. The transaction followed the recent 100% acquisitions of Fincaraíz in Colombia and Yapo in Chile, both market leading online classifieds portals, establishing FDV as one of the leading operators in Latin America while significantly enhancing FDV's scale and strategic footprint in the region.

Subsequent to the end of the quarter, FDV increased its shareholding in Hoppler from 42.0% to 52.1%. Hoppler is the leading transaction-focused online property platform in metropolitan Manila following its acquisition of 100% of ZipMatch.com in November 2020. Hoppler's unique business model creates an efficient solution for agents and consumers in the highly fragmented Filipino real estate agent industry. This investment consolidated FDV's strategic footprint in the Philippines, with majority controlling interests in both Hoppler and AutoDeal, the leading online auto marketplace.

## CORPORATE UPDATE

During the quarter, FDV had net operating cash outflows of A\$1.0m, including receipts from customers of A\$11.6m. FDV reported A\$18.7m in cash and cash equivalents as at 30 June 2021, which provides significant funding flexibility.

During the quarter, Mr. Jason Lau was appointed to the role of Chief Financial Officer. Mr. Lau has 18 years' experience across APAC and ASEAN markets and specialises in growth and technological transformation. In his previous roles, Mr. Lau led large commercial deals, strategic operational reviews and post-acquisition integration and restructuring, which positions him well for the current role.

## IMPACT OF EXCHANGE RATES

The appreciation of the Australian Dollar (AUD) against all local currencies, where FDV has exposure, has masked the strong underlying half-year revenue growth exhibited across the portfolio. For example, the average AUD:PKR exchange rate from 1H 2020 to 1H 2021 appreciated 10.6%, obscuring the local currency growth rate of Zameen and Pakwheels in Pakistan. Similarly, the AUD appreciated against Latin American currencies approximately 14-30% over this time, impacting the reported AUD revenues of Encuentra24, Fincaraíz and InfoCasas. See Appendix 1 for further details on the individual currency movements.

### Appendix 1: Average exchange rate movements

	% Revenue 1H 2021 (FDV % share basis)	Country	Currency	1H 2021 average exchange rate	1H 2020 average exchange rate	Change
Zameen, Pakwheels	36%	Pakistan	AUD:PKR	118.92	107.55	10.6%
Fincaraíz	17%	Colombia	AUD:COP	2845.81	2521.19	12.9%
Avito, Moteur	14%	Morocco	AUD:MAD	6.85	6.49	5.4%
InfoCasas	10%	Uruguay	AUD:UYU	33.83	28.39	19.1%
		Paraguay	AUD:PYG	5098.28	4345.44	17.3%
		Peru	AUD:PEN	2.92	2.26	29.4%
		Bolivia	AUD:BOB	5.32	4.54	17.1%
Yapo	13%	Chile	AUD:CLP	551.80	540.65	2.1%
Encuentra24	4%	Panama	AUD:USD	0.77	0.66	17.0%

		Costa Rica	AUD:CRC	474.73	376.98	25.9%
		Guatemala	AUD:GTQ	5.95	5.07	17.4%
		El Salvador	AUD:SVC	6.74	5.76	17.1%
		Nicaragua	AUD:NIO	27.08	22.53	20.2%
		Honduras	AUD:HNL	18.55	16.31	13.8%
AutoDeal, Hoppler	2%	Philippines	AUD:PHP	37.10	33.18	11.8%
Tayara	2%	Tunisia	AUD:TND	2.12	1.89	11.8%
LankaPropertyWeb	<1%	Sri Lanka	AUD:LKR	152.21	123.82	22.9%
iMyanmarhouse, CarsDB	<1%	Myanmar	AUD:MMK	1204.83	923.29	30.5%
PropertyPro	<1%	Nigeria	AUD:NGN	273.53	246.91	10.8%
MeQasa	<1%	Ghana	AUD:GHS	4.46	3.77	18.3%

Source: IRESS

- ENDS -

This announcement is authorised for release by the Board of Directors of Frontier Digital Ventures Limited.

For more information, please contact:

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**About FDV**

Frontier Digital Ventures (FDV) is a leading owner and operator of online marketplace businesses in fast growing emerging markets. Currently, FDV's portfolio consists of 16 market leading companies, operating across 20 markets in Developing Asia, Latin America and MENA. FDV works alongside local management teams across property, automotive and general classifieds, providing strategic oversight and operational guidance which leverages FDV's deep classifieds experience and proven track record. FDV seeks to unlock further monetisation opportunities beyond the typical classifieds revenue, to grow the equity value of its operating companies and realise their full potential. Find out more at [frontierdv.com](http://frontierdv.com).

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

FRONTIER DIGITAL VENTURES LTD.

**ABN**

25 609 183 959

**Quarter ended ("current quarter")**

30 JUNE 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	11,560	21,603
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(4,332)	(8,932)
(c) advertising and marketing	(1,868)	(3,493)
(d) leased assets	-	-
(e) staff costs	(5,512)	(11,378)
(f) administration and corporate costs	(780)	(1,174)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid	-	(44)
1.6 Income taxes paid	(43)	(67)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(973)</b>	<b>(3,481)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	(8,007)	(32,360)
(c) property, plant and equipment	(154)	(241)
(d) investments	(1,310)	(1,453)
(e) intellectual property	-	-
(f) other non-current assets	(661)	(1,031)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other ( <i>reconsolidation of a subsidiary</i> )	586	(36)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(9,546)</b>	<b>(35,121)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(1,635)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(6)	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(6)</b>	<b>1,635</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	29,224	59,160
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(973)	(3,481)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9,546)	(35,121)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(6)	(1,635)
4.5	Effect of movement in exchange rates on cash held	5	(219)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>18,704</b>	<b>18,704</b>

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	18,704	28,750
5.2	Call deposits	-	474
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>18,704</b>	<b>29,224</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	34
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p><b>Note 6.1</b> Relates to payment of Director's fees and payment to Director's associate company for the Company Secretarial fees.</p>		

<b>7. Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(973)
8.2 Cash and cash equivalents at quarter end (item 4.6)	18,704
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	18,704
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	19.22
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## 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.

Date: 28 July 2021

Authorised by: The Board of Frontier Digital Ventures Limited  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.