

**ASX Code: FDV**

6 February 2020

## **Sale of Propzy shareholding accelerates portfolio-wide profitability**

- **FDV has completed the sale of its full 20% shareholding in Propzy for cash consideration of US\$4.7 million (A\$7.0 million)**
- **Sale price represents a ~300% return to FDV's shareholders on its US\$1.2 million investment in ~2.5 years**
- **Rationale for the sale driven by Propzy's intended growth and funding strategy, which was likely to increase losses at the EBITDA level and dilute FDV's ownership to <10%**
- **This sale is the first material monetisation event in FDV's history and accelerates FDV's pathway to achieving portfolio-wide profitability in 2020**

Frontier Digital Ventures Limited ("FDV", ASX: FDV) is pleased to announce the successful sale of its full 20% shareholding in Propzy for cash consideration of US\$4.7 million (A\$7.0 million). Propzy is an online classifieds business in Vietnam that focuses on property transactions.

The sale price represents a ~300% return to FDV on its US\$1.2 million investment in ~2.5 years (US\$0.8 million provided upfront in June 2017 and US\$0.4 million provided in milestone payments in December 2017).

The rationale for the sale was driven by an upcoming funding round in Propzy, which FDV expects would increase losses in Propzy at the EBITDA level and which would dilute FDV's ownership to <10%. As flagged in previous disclosures to the ASX, FDV is focused on its operating companies pursuing sustainable revenue growth with a clear path to profitability.

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

"At the FDV portfolio level, Propzy represented >50% of the EBITDA loss in the preliminary FY19 results released to the ASX on 31 January 2020. Despite Propzy's strong revenue growth, we believe the sale of our shareholding represented an attractive opportunity to fast-track FDV's pathway to achieving portfolio-wide profitability in 2020.

Consistent with FDV's stated strategy, we continue to assess a range of opportunities to optimise our portfolio mix and increase shareholder value. The sale of FDV's shareholding in Propzy is the first material monetisation event in FDV's history and further validates FDV's long-term strategy."

Proceeds from the sale further strengthen FDV's balance sheet and may be used opportunistically to increase ownership of the better performing companies within FDV's portfolio, consistent with the two significant announcements in mid-December 2019 in

For personal use only

relation to an increase in FDV's ownership of Infocasas and AutoDeal to 51% and 56% respectively.

The sale of FDV's shareholding in Propzy accelerates FDV's pathway to achieving portfolio-wide profitability in 2020. This is supported by the recent announcement to the ASX on 31 January 2020 which referenced four companies recording positive EBITDA in FY19 (Zameen, Infocasas, iMyanmar and AutoDeal) and two additional companies recording positive EBITDA in 4Q 2019 (Encuentra24 and Moteur).

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

For more information, please contact:

**Shaun Di Gregorio**

Founder and CEO

Tel: +60 17 207 6221

Email: shaundig@frontierdv.com

**About FDV**

FDV focuses on developing online classifieds businesses in underdeveloped, emerging countries or regions. With a track record of supporting market leading online businesses, FDV's management are experts in the online classifieds space with a particular focus on property and automotive verticals and general classifieds websites. FDV's portfolio currently consists of investments in 11 market leading operating businesses across 13 markets. With extensive support offered to the local operating companies, coupled with the energy and work ethic of its management team, FDV is bringing outstanding companies to their full potential.