

ASX Code: FDV

7 December 2018

Strategy Execution Update

- **FDV's portfolio has grown meaningfully since IPO – revenues ex. Zameen have surpassed total group revenues at the time of IPO**
- **FDV's current market capitalisation appears to undervalue the consistent strategy execution and value generated across FDV's 14 market leading classified businesses**
- **7 out of 14 operating companies are expected to record >A\$1.0m revenue in 2018**
- **FDV reaffirms its 2018 revenue guidance of A\$40m (100% basis), up from A\$27m in 2017**

Frontier Digital Ventures Limited ("**FDV**") is pleased to provide an update to investors on its strategy execution across 2018 and areas of focus as 2019 approaches.

On 20 December 2017, FDV outlined a clear strategy for its portfolio as it progresses towards monetisation. FDV has successfully executed against its stated strategy over the last 12 months by:

- increasing its focus on property classifieds;
- investing more in Asia;
- delivering strong revenue growth (+59% in 1H18 on pcp); and
- consolidating all companies into market leadership positions.

Based on the current market valuation, it appears that the consistent strategy execution and strong operational growth across FDV's portfolio has been underappreciated. Zameen, the #1 online property classifieds business in Pakistan, continues to deliver strong revenue growth (+92% in 1H18 on pcp). At the same time FDV continues to accelerate the development of its 13 other market leading online classifieds businesses which are following the Zameen blueprint. These 13 other businesses are now contributing the majority of FDV's revenues.

There has been strong corporate activity in the online classifieds sector across emerging and frontier markets in 2018. FDV is well positioned across its portfolio of best-in-class, market leading online classifieds businesses in emerging and frontier markets.



ONLINE CLASSIFIEDS IN FRONTIER AND EMERGING MARKETS

STRATEGY EXECUTION UPDATE | DECEMBER 2018

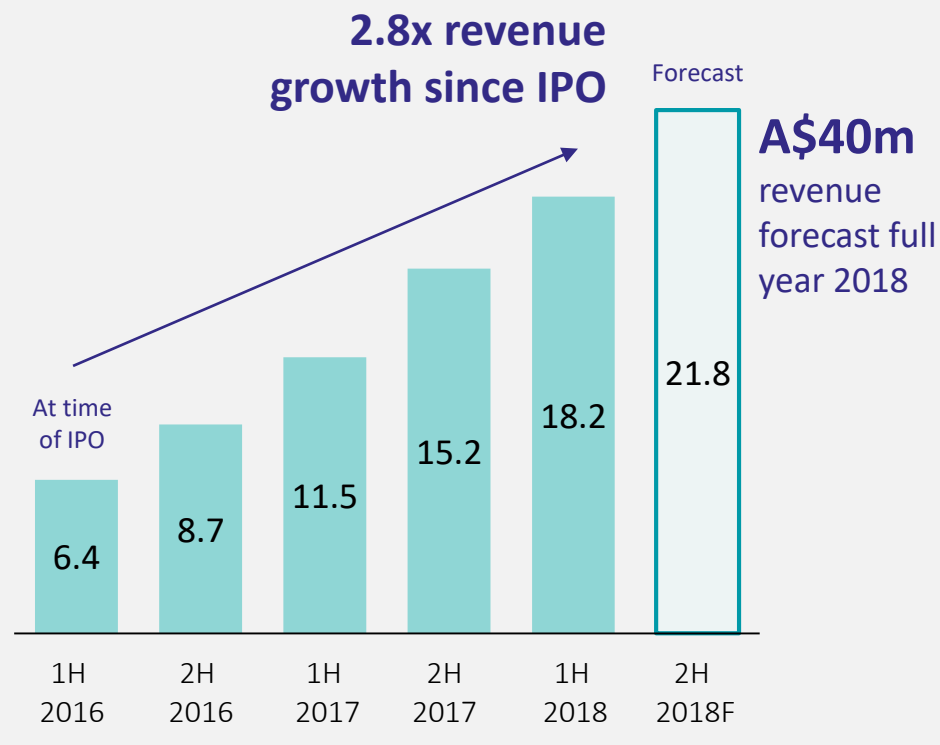
Investment highlights



- **FDV has consistently delivered on its strategy** outlined in detail 12 months ago
- FDV reaffirms its **2018 revenue guidance of A\$40m** (100% basis, up from A\$27m in 2017)
- **FDV's portfolio has grown meaningfully since IPO** – revenues ex. Zameen have surpassed total group revenues (incl Zameen) at the time of IPO (A\$0.50 issue price)
- **Current market capitalisation appears to undervalue FDV's consistent strategy execution and value generated** across its 14 market leading classified businesses
- Continued maturation with **7 out of 14 companies expected to record >A\$1.0m revenue** in 2018

Portfolio revenue

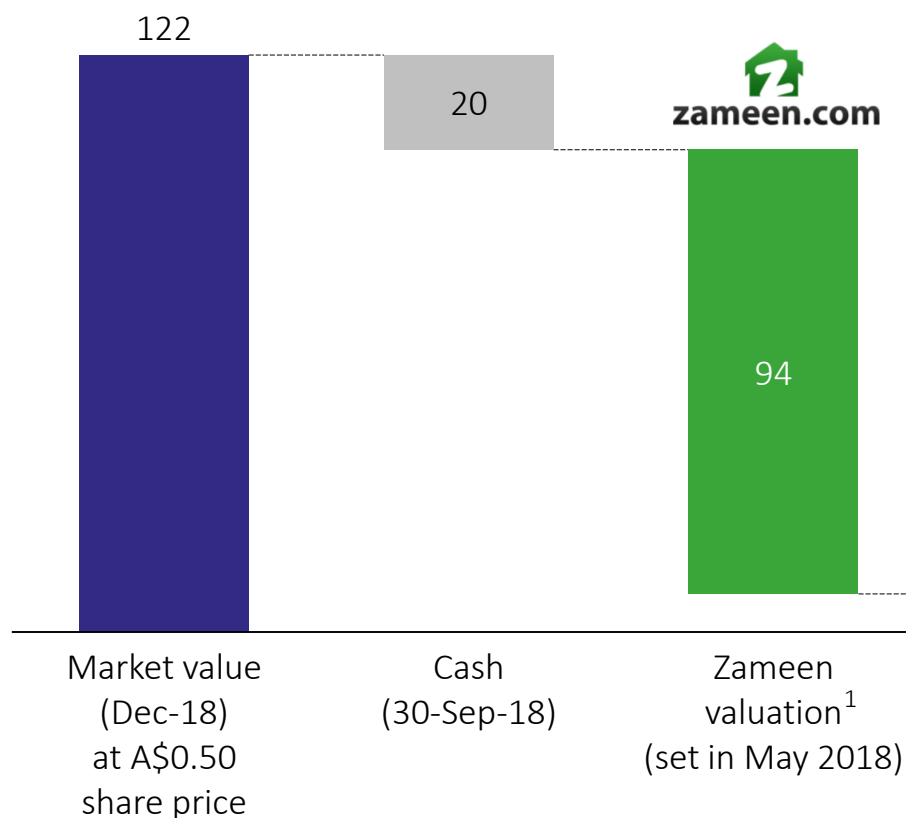
(A\$m, 100% basis unaudited)



Current market capitalisation appears to undervalue FDV's execution and value generation across its portfolio



Illustrative valuation (A\$m)



Remaining 13 out of 14 operating companies provide

- **+32%** revenue growth (1H18 on pcg)
- **A\$8.5m** revenue (in 1H18 on 100% basis)
- **130m** website sessions (in 1H18)
- **19m** leads for customers (in 1H18)



Source: Company filings; Bloomberg

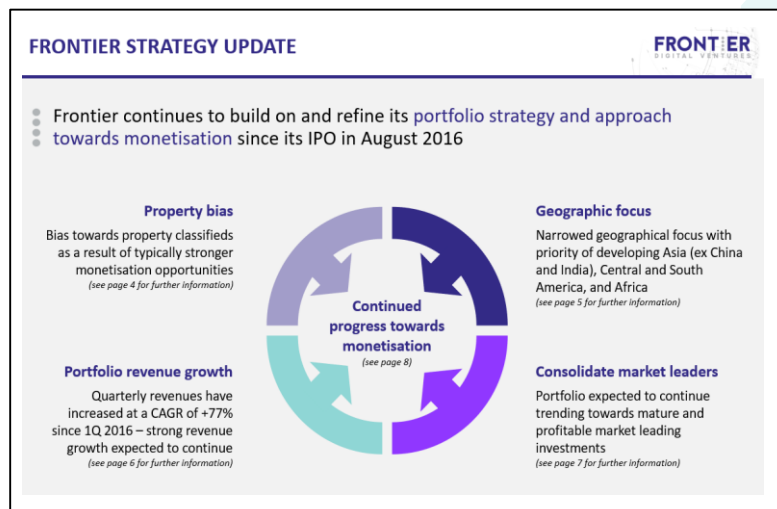
(1) Latest Zameen funding round announced to the ASX on 3 May 2018, based on FDV's 30% equity interest of US\$220m pre-money valuation converted at 0.70 AUD/USD

FDV has consistently delivered on its strategy



Strategy update

- On 20 December 2017, FDV outlined a clear strategy for its portfolio as it makes progress towards monetisation
- The strategy was articulated with four main focus areas: increasing bias towards property; increasing geographic bias towards Asia; strong portfolio growth; and move all companies to market leadership positions



ASX Announcement (20 December 2017)

Strong operational delivery in 2018



Property bias

- Proportional property earnings have increased to 70% of total revenue in 1H 2018 (up from 60% in 1H17)
- Further investment in Zameen and Hoppler



Geographic focus

- Further investment in Pakistan (Zameen), Philippines (Hoppler, AutoDeal) and Myanmar (CarsDB)



Portfolio revenue growth

- Strong revenue growth of 59% (1H 2018 on pcp)
- Guidance of A\$40m portfolio revenue in 2018 (up from A\$27m in 2017)
- 3 companies expected to reach CFBE in 2018



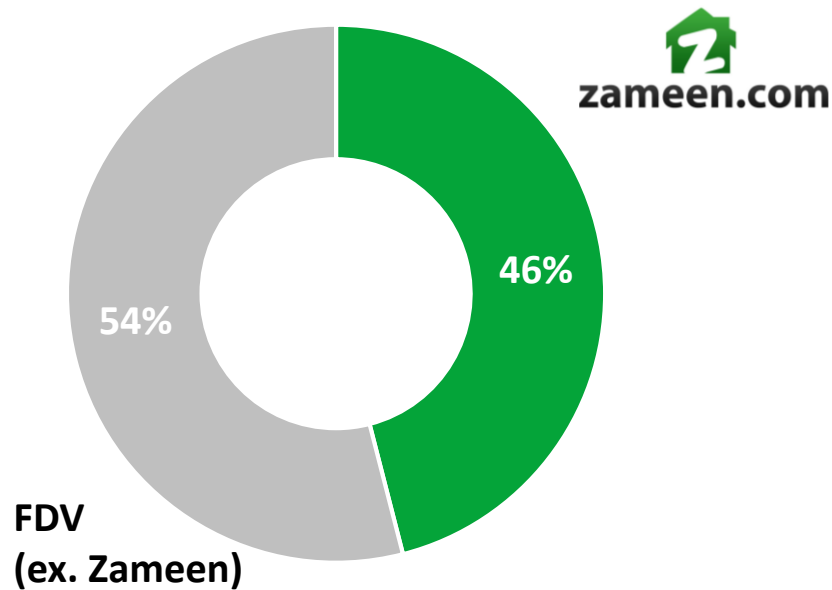
Consolidate market leaders

- All 14 operating companies in market leading positions
- Continued maturation with 7 out of 14 companies expected to record >A\$1.0m revenue in 2018

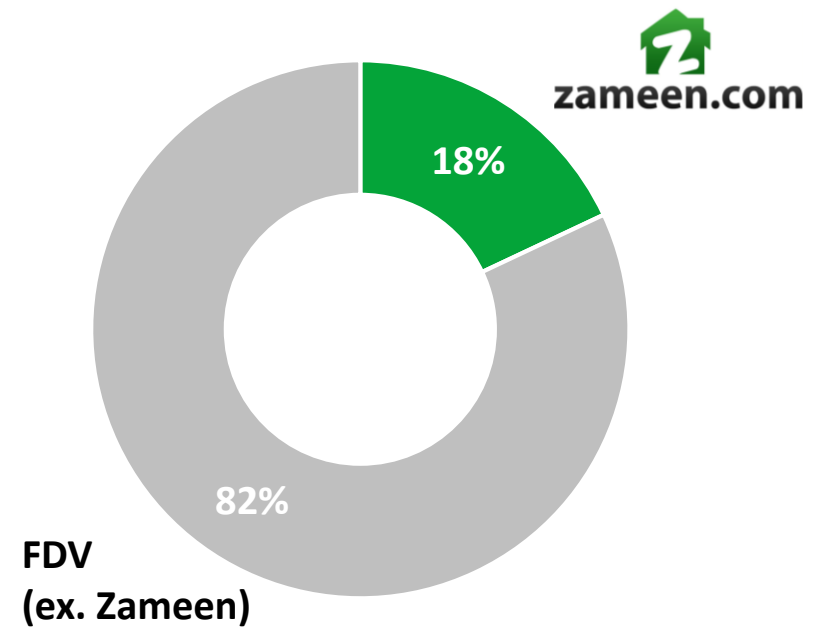
Zameen represents less than half of FDV's revenue and only 18% of website sessions



Revenue breakdown (1H18, unaudited FDV share)



Website sessions (1H18, 100% basis)



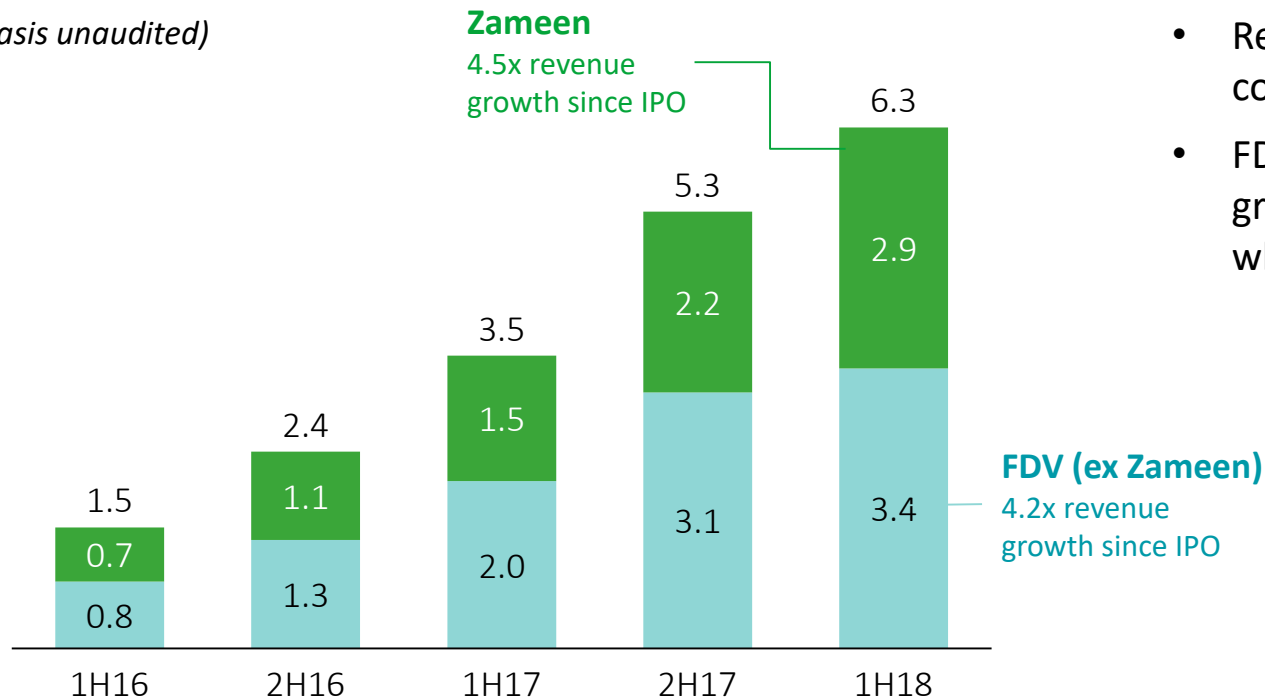
Source: Company filings; Internal analysis

FDV is currently trading around its IPO price despite strong and consistent revenue growth



Half year revenue

(A\$m, FDV basis unaudited)



Highlights

- Revenue growth has been consistent since IPO
- FDV (ex Zameen) is recording greater revenue than the whole portfolio at IPO

Share Price (A\$)

A\$0.50
@ time of IPO



A\$0.50
(Dec 2018)

Source: Company filings

FDV portfolio is significantly stronger now compared to IPO



Growth since IPO

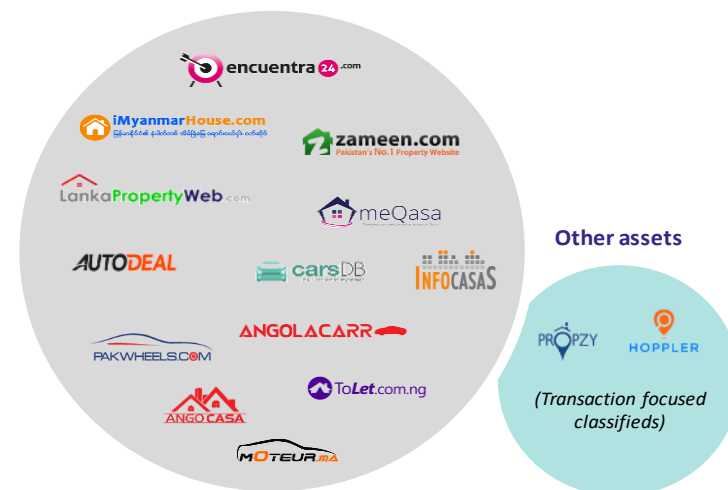
	1H16	1H18	Change
Advertisers	73k	180k	+147%
Sessions	96m	158m	+65%
Companies expected to generate annualised revenues of > \$1m	2	7	+5
Leads	16m	24m	+50%
Revenue (FDV share)	A\$1.5m	A\$6.3m	4.3x

Significant portfolio optimisation since IPO...

	1H16	1H18
Tier 1 assets	6	12
Tier 2 assets	4	2
Tier 3 assets	5	-

...through establishing a core portfolio of market leading investments

#1 Market position by sessions

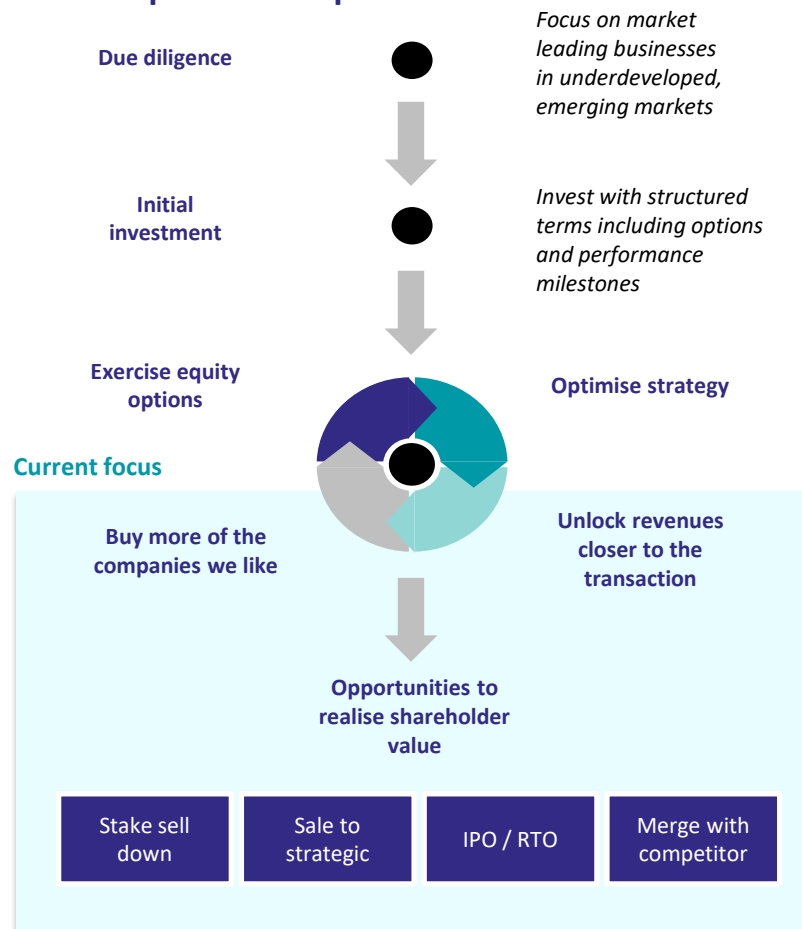


Share price	A\$0.50	A\$0.50	- %
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FDV well positioned to capitalise on the increasing levels of activity across the online classifieds sector



Several portfolio companies nearing the end of FDV's optimisation process...



...with the market seeing some recent monetisation activity (particularly involving financial sponsors)



November 2018

Unsolicited NZ\$2.5bn proposal to acquire 100% of Trade Me



November 2018

Invested US\$120m into Dubai's PropertyFinder.ae



October 2018

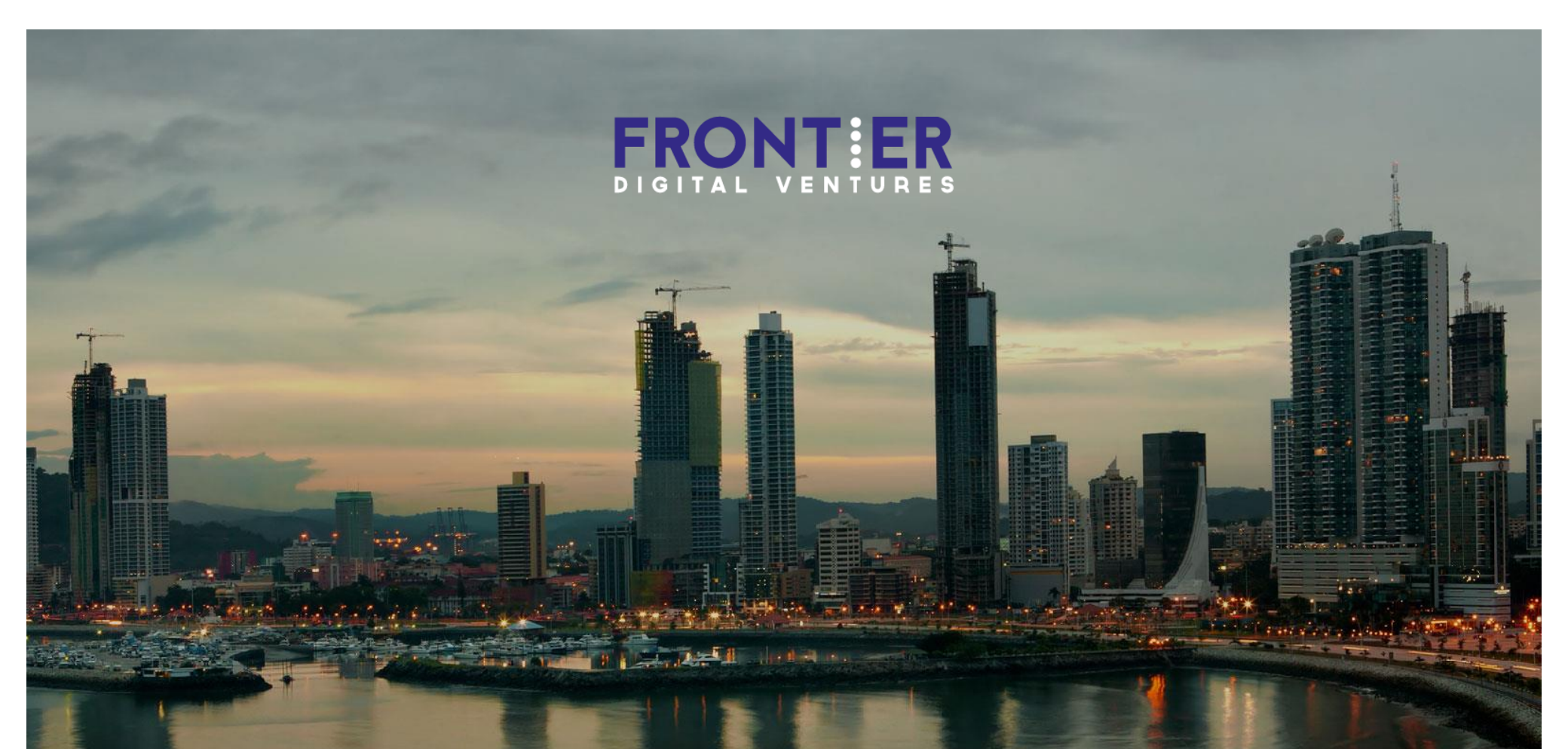
Invested SGD\$200m into PropertyGuru funding round



May 2018

Acquired ASX-listed Mitula Group for A\$140m

Source: Company filings; press articles



FRONT:ER

DIGITAL VENTURES

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