

ASX Code: FDV

28 August 2018

1H 2018 Results Presentation

Frontier Digital Ventures Limited ("FDV", ASX: FDV) is pleased to release its financial results for the 6 months ended 30 June 2018 ("1H 2018") along with an updated presentation to be discussed at a series of shareholder and new investor meetings in the coming weeks.

The updated presentation is attached to this announcement.

Key highlights for 1H 2018

- **+59% increase in half year portfolio revenue** to A\$18.2m (100% basis, unaudited)
 - Half year revenue has now **tripled over the last two years** since 1H 2016
- **3 companies on the cusp of profitability**, posting positive EBITDA in at least three months in 1H 2018
- **A\$14.4m fully underwritten capital raising completed** in May 2018
- **Strong portfolio-wide operational growth** for the period including:
 - +18% increase in leads generated in 1H 2018 on pcp
 - +43% increase in registered users in 1H 2018 on pcp
 - +22% increase in website sessions in 1H 2018 on pcp

CEO and Founder, Shaun Di Gregorio, commented on the results:

"Our 1H 2018 results round out a fantastic two years of growth since IPO. Operationally, our portfolio of market leading businesses continue to grow with half year revenues having tripled over the last 2 years. Financially, we continue to effectively manage and invest into our most successful businesses. The recently completed A\$14.4m fully underwritten entitlement offer has strengthened our balance sheet as we continue to invest and grow in 2018 and beyond. We are excited at this juncture in our growth to engage with a series of new investors and present the substantial progress we have made since our IPO in August 2016."

CEO and Founder, Shaun Di Gregorio, will host a conference call to discuss the 1H 2018 results for investors and media at **2:00pm (Sydney time) on Tuesday 28 August 2018**.

For more information, please contact:

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Chief Executive Officer

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NOTE: UNDERLYING VS STATUTORY ACCOUNTING

The financial statements released alongside this announcement reports the statutory financial accounts for the 6 month period ended 30 June 2018. Due to the nature of Frontier's investment portfolio there is a difference between the economic interest in portfolio's financial performance and statutory financial accounts. The current portfolio contains 10 investments that are accounted for on a consolidated basis (including Encuentra24.com) and 5 investments (including Zameen) that are reported as "associates" under the equity method in AASB 128.

The statutory figures report 100% of consolidated business financials, using Encuentra24.com as an illustration:

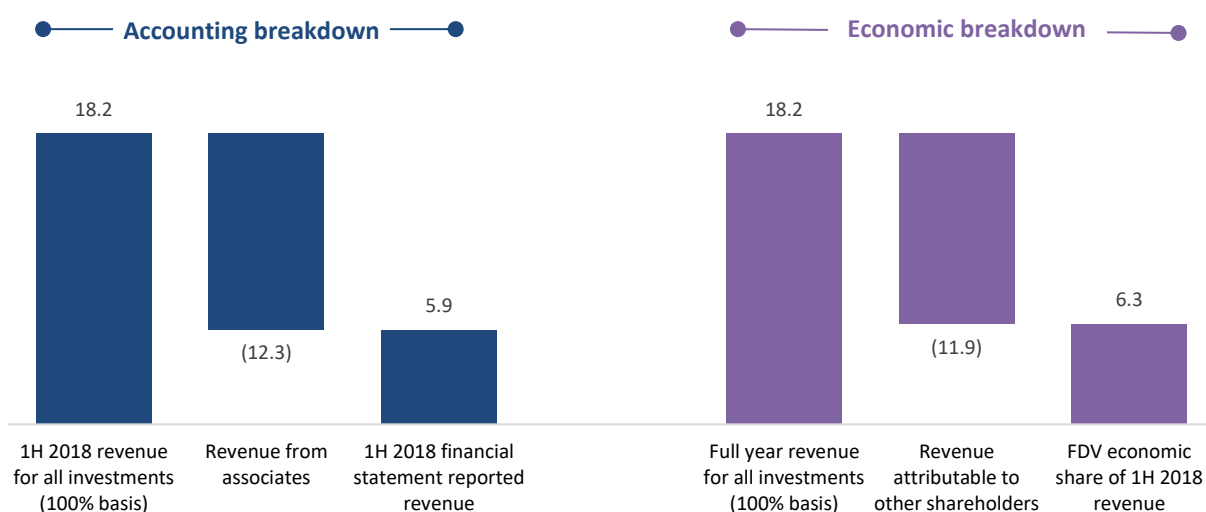
	1H 2018 revenue (A\$)
Standalone revenue for 1H 2018 (Encuentra24.com only)	3,650,500
Frontier's economic share (currently owns 42.1% of Encuentra24.com)	1,535,727
Statutory revenue (100% of revenue recognised in statutory accounts)	3,650,500

Revenue from equity accounted investments are excluded from the statutory receipts. Using Zameen as an illustration:

	1H 2018 revenue (A\$)
Standalone revenue for 1H 2018 (Zameen only)	9,738,248
Frontier's economic share (currently owns 30% of Zameen)	2,921,475
Statutory revenue (Zameen excluded from statutory accounts)	-

An illustration of the revenue breakdown between statutory and economic revenue is shown below in Figure 1.

Figure 1: Reconciliation of revenue metrics quoted (A\$m, unaudited)



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AUGUST 2018

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1H 2018 highlights



A\$18.2m revenue
(100% basis) +59% on 1H 2017
Portfolio focusing on monetisation



3 companies on the
cusp of profitability
Posting positive EBITDA in at least three months



A\$14.4m
capital raising
Fully underwritten capital raising completed



Continued strong operational growth

+18% leads generated in 1H 2018 on pcp
+43% registered users in 1H 2018 on pcp
+22% website sessions in 1H 2018 on pcp

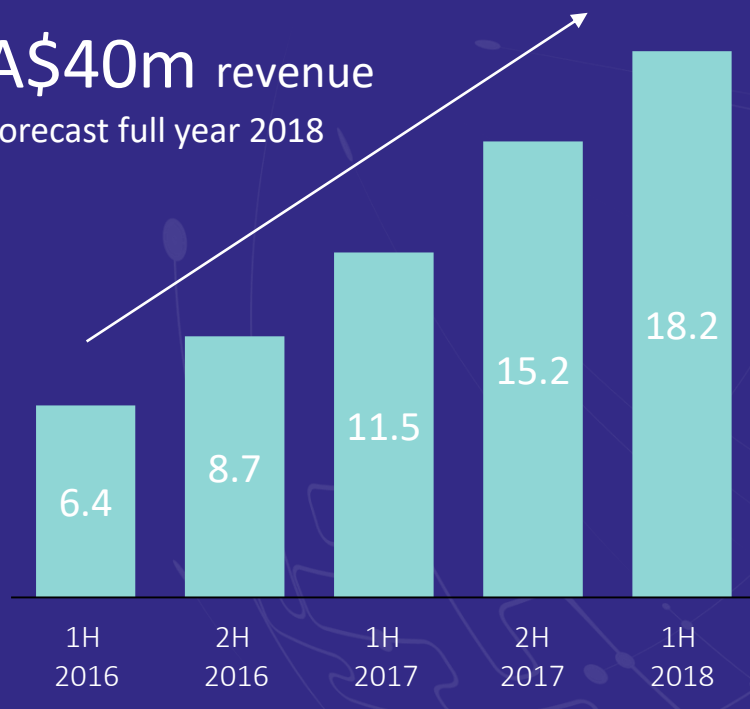
Strong revenue and EBITDA growth



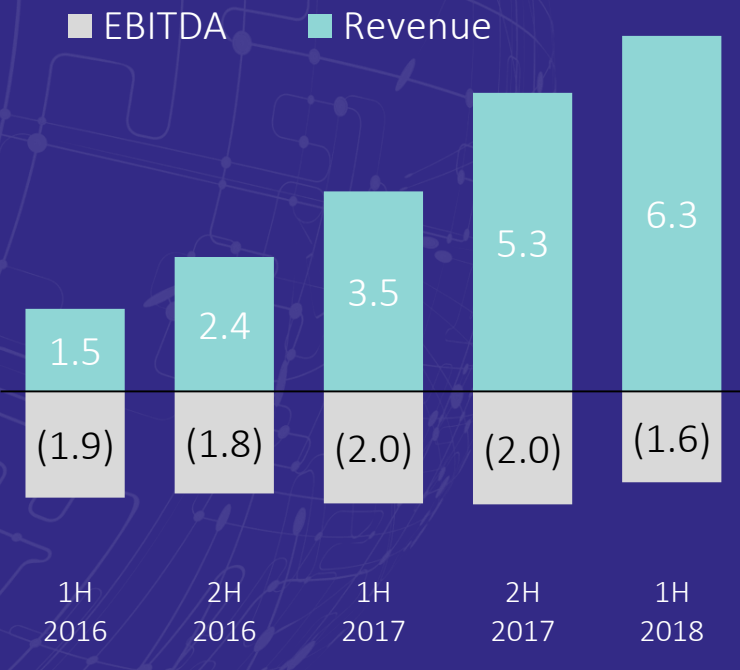
Portfolio revenue
(A\$m, 100% basis unaudited)

2.8x growth

A\$40m revenue
Forecast full year 2018



Revenue and EBITDA
(A\$m, FDV equity basis unaudited)





Consistent and strong revenue growth across the portfolio in 1H 2018¹

	FDV ownership (%)	1H 2017 Revenue A\$ (100% basis)	1H 2018 Revenue A\$ (100% basis)	Growth (%)
Consolidated investments²				
AutoDeal	33%	411,846	478,076	+16%
carsDB	76%	71,058	222,248	+213%
Encuentra24	42%	3,298,524	3,650,500	+11%
Hoppler	21%	185,330	333,506	+80%
iMyanmar	43%	452,466	641,913	+42%
LankaPropertyWeb	48%	128,976	259,254	+101%
meQasa	86%	45,934	99,653	+117%
Angocasa/Angolacarr	75%	0	52,600	n.m.
PropertyPro (formerly ToLet)	39%	162,468	169,310	+4%
Associates²				
Zameen	30%	5,067,927	9,738,248	+92%
Pakwheels	37%	643,046	1,028,528	+60%
Infocasas	31%	561,853	1,086,304	+93%
Propzy	20%	284,355	249,357	(12%)
Moteur	56%	71,000	143,379	+102%
Kupatana	29%	75,330	50,278	(33%)
Total revenue		11,460,114	18,203,152	+59%

Notes:

1. Excludes investments that have been withdrawn/exited including Afribaba, carWangu, casaMozambique and IMCongo
2. Accounting treatment as at 30 June 2018

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Who is FDV?

- Operator of market leading online classifieds websites in frontier and emerging markets
- Portfolio revenues have tripled since IPO in August 2016 to A\$18.2m in 1H 2018 with a CAGR of 69%
- Strong background and experience with the best ASX online classifieds stories
- FDV's business model is focused on unlocking v2.0 online classified revenue streams on the way to the transaction
- Approaching profitability across its portfolio of market leading businesses



Operator of market leading online classifieds businesses in Developing Asia (ex China), Central & South America and MENA

FRONTIER
DIGITAL VENTURES

1 INVESTS

Invests in companies that can gain the most from FDV optimisation

2 OPERATES

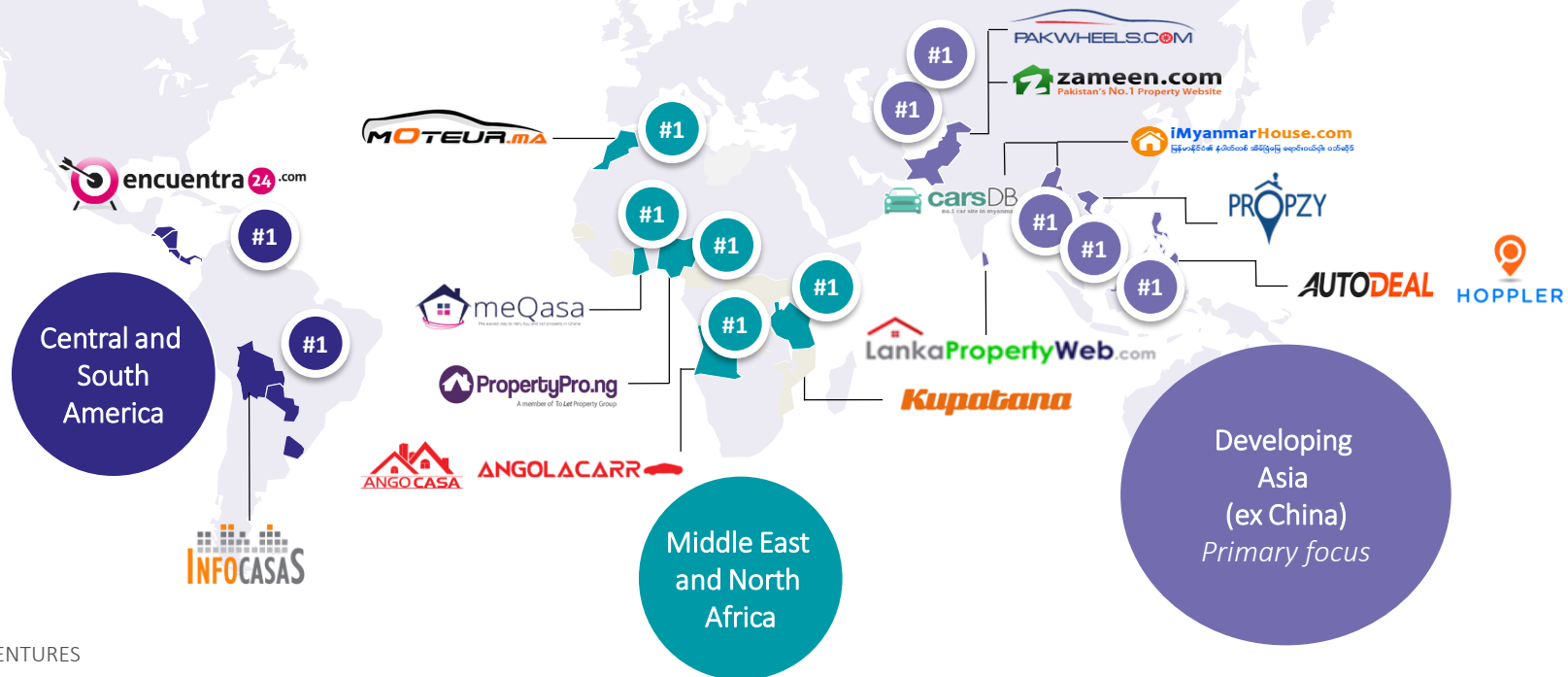
Owens a portfolio of market leading online classified companies

3 PARTNERS

Operates businesses in partnership with local entrepreneurs

4 UNLOCKS

Adds expertise to unlock material value with local partners



FDV's unique business model



FDV identifies a high quality local entrepreneur and market opportunity



Enters market at an early stage and invests in high potential classified businesses

FDV invests with highly structured, valuable investment terms



*Creates **valuable call options** for follow-on investment at pre-agreed prices*

FDV optimises the business in partnership with the entrepreneur



*Combines **the best local expertise** with FDV's track record of online classifieds success*

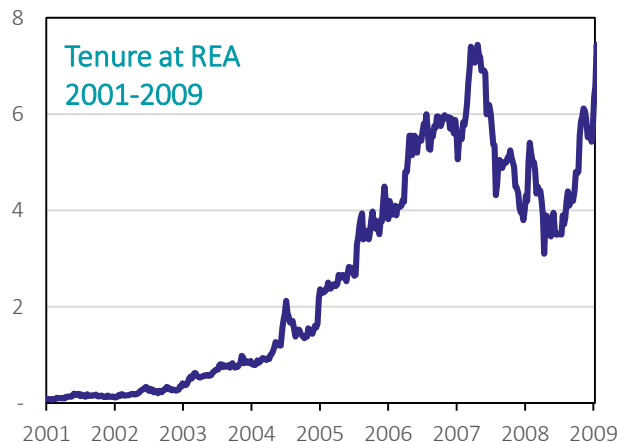
Strong background and experience with the best ASX online classifieds stories



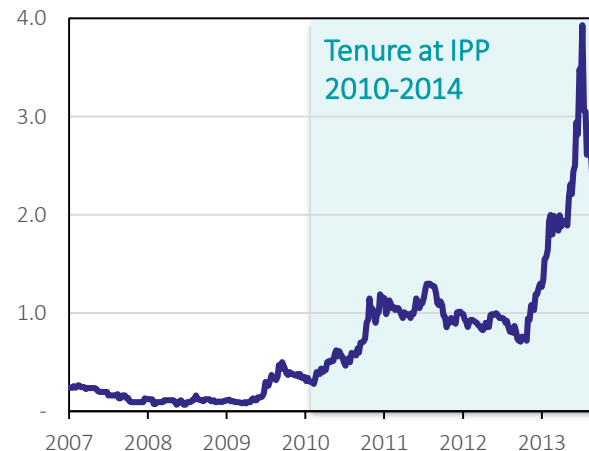
Founder and CEO
Shaun Di Gregorio

- One of the top global online classifieds executives with a track record of success
- Former CEO of iPropertyGroup (ASX: IPP) and General Manager at REA Group
- Spearheaded the transformation of iProperty Group from a US\$15m small online business into the largest listed internet company in ASEAN with a market capitalisation of US\$600m
- As General Manager of the core Australian REA Group business and one of its global leaders, grew the business alongside a team of 8 people with a revenue of A\$5m into a company with more than 300 staff and revenue exceeding A\$150m

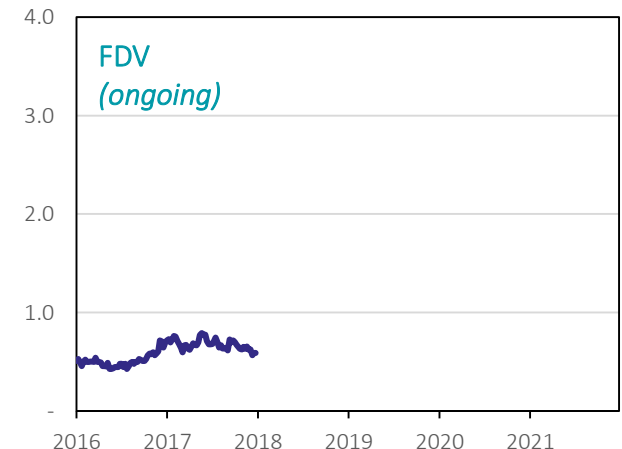
REA Group (ASX: REA)



iPropertyGroup (ASX: IPP)



FDV (ASX: FDV)



FDV's business model is focused on **unlocking v2.0 online classified revenue streams** on the way to the transaction

3

Unlock v2.0 classifieds revenue streams closer to the transaction

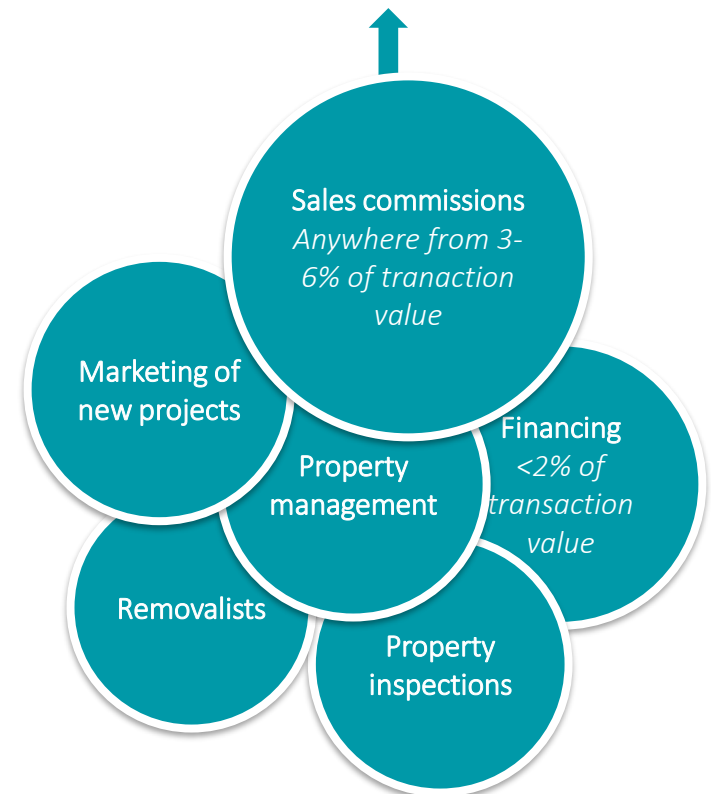
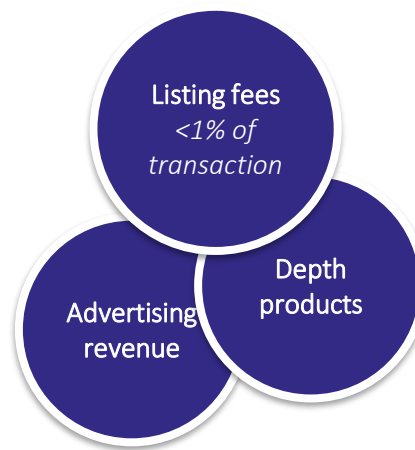
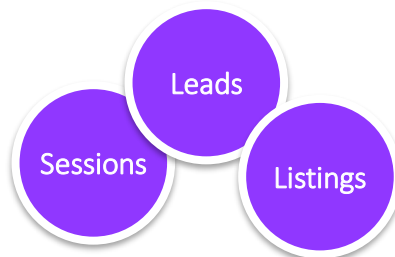
Requires **strong revenue base and clear market leadership**

2

Build base of traditional online classifieds revenue focused on advertising

1

Establish **clear market leadership** by growing operating metrics



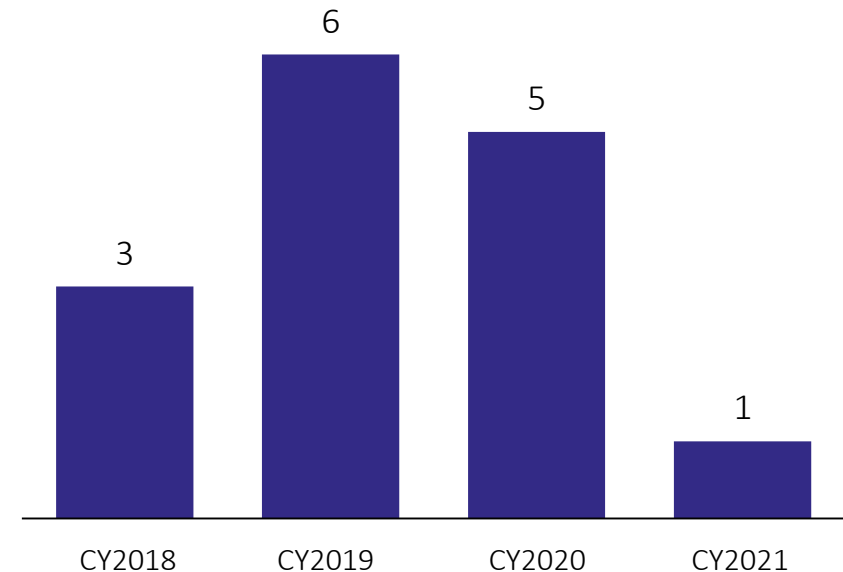
Portfolio progression to profitability



Based on current expectations, 3 operating companies are expected to begin to trade profitably by the end of CY2018 and 6 more companies by the end of CY2019

- Approximately half of the operating companies are expected to begin to trade profitably before 31 December 2019
- FDV expects to see an increase in potential liquidity events as more of its operating companies progress towards profitability
- FDV continuously manages its portfolio on an underlying equity value basis which may result in decisions to prioritise market leadership and/or revenue over near term profitability
- FDV therefore expects some variance to the current profitability timing forecasts provided

Current expectation of profitability timing across FDV's portfolio (#)¹



Notes:

- 1 The current expected timing of profitability is based on FDV's detailed half year budgeting process with each operating company. The budgeting process produces revenue and cost forecasts based on historic growth trends and known upcoming events which may have an impact on cash flow. The exact profitability timing of each operating company is based on assumptions which may not be realised and may be influenced by unanticipated events. Circumstances may occur which alter the expected timing and there is no guarantee that profitability will be achieved when anticipated. In respect of each operating company, the assumptions on which profitability have been calculated include (1) material customers are not lost (2) operational performance continues as forecast (3) any M&A activity occurs as planned (4) no revenue impact due to the need to maintain market position and (5) general economic conditions remain consistent.

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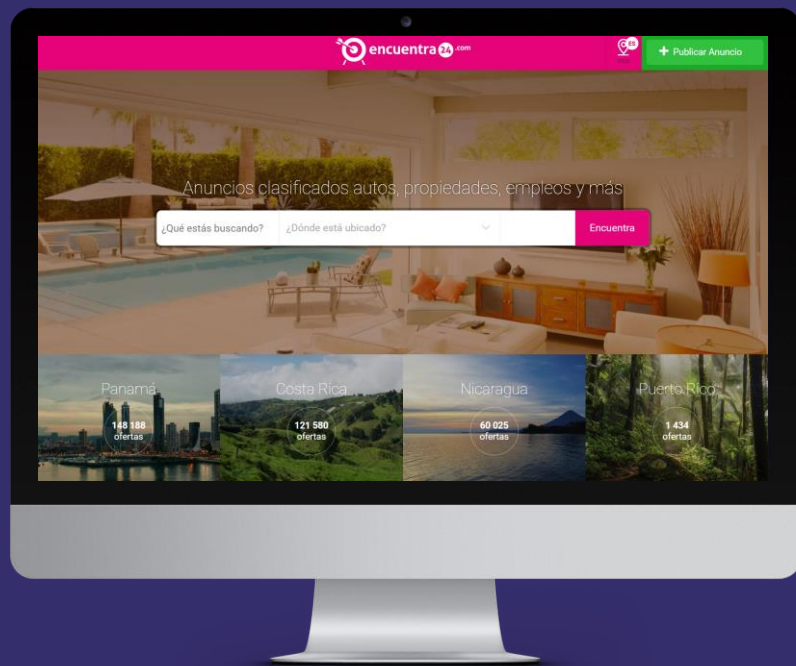


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The FDV
process








Online classifieds have been one of the most successful online business models



At its core the basic business model has remained largely unchanged for 20+ years



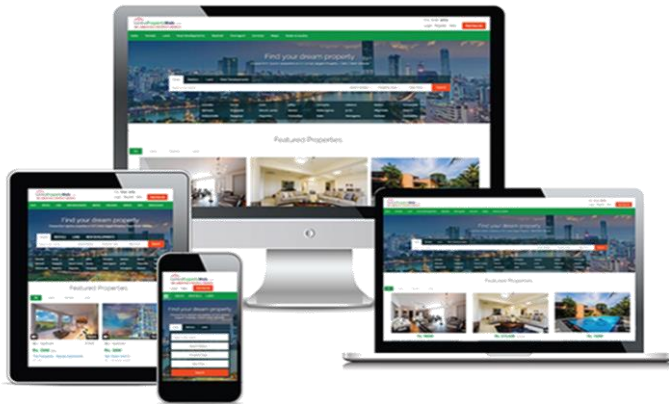
The online classifieds business model has been central to a number of the world's valuable internet companies

	Market capitalisation	
	Now...	10 years ago...
 REA Group #1 property portal in Australia	A\$12bn	<A\$1bn
 rightmove #1 property portal in UK	A\$8bn	A\$1bn
 AutoTrader #1 car portal in UK	A\$8bn	unlisted
 carsales.com #1 car portal in Australia	A\$4bn	<A\$1bn
 PURPLE BRICKS #1 online agent in UK	A\$2bn	unlisted

Source: Bloomberg

Online classifieds businesses have significant leverage to both population and economic growth factors

...



FDV's portfolio of online classifieds businesses covers:

900m+ population

US\$1.8tn market GDP

+5.3% average GDP growth rate

268m total website sessions in 2017

FDV has focused its portfolio on markets that optimise these key factors



Fast growing
GDP per capita



High internet
penetration



High mobile
penetration



Nascent existing
industry

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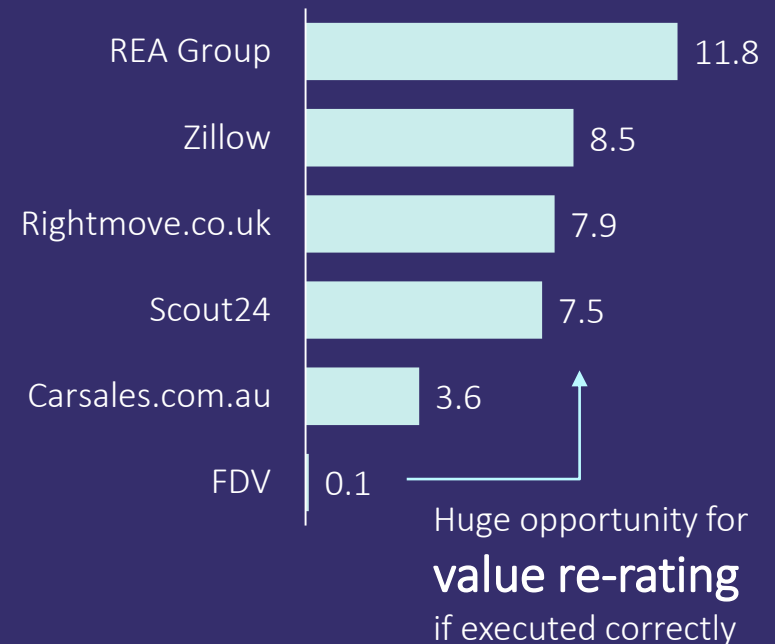


Frontier and emerging markets present a **tremendous opportunity** to build online classifieds businesses with a focus on getting closer to the transaction

- ✓ Early stage markets and low entry price
- ✓ Leverage knowledge from established markets
- ✓ Lower levels of trust between buyers and sellers
- ✓ Online classified websites often form a market
- ✓ Opportunity to become the intermediary between buyers and sellers
- ✓ Being closer to the transaction is now a reality

...with potential for a **significant value re-rating** if successful

Market capitalisation
(A\$bn)



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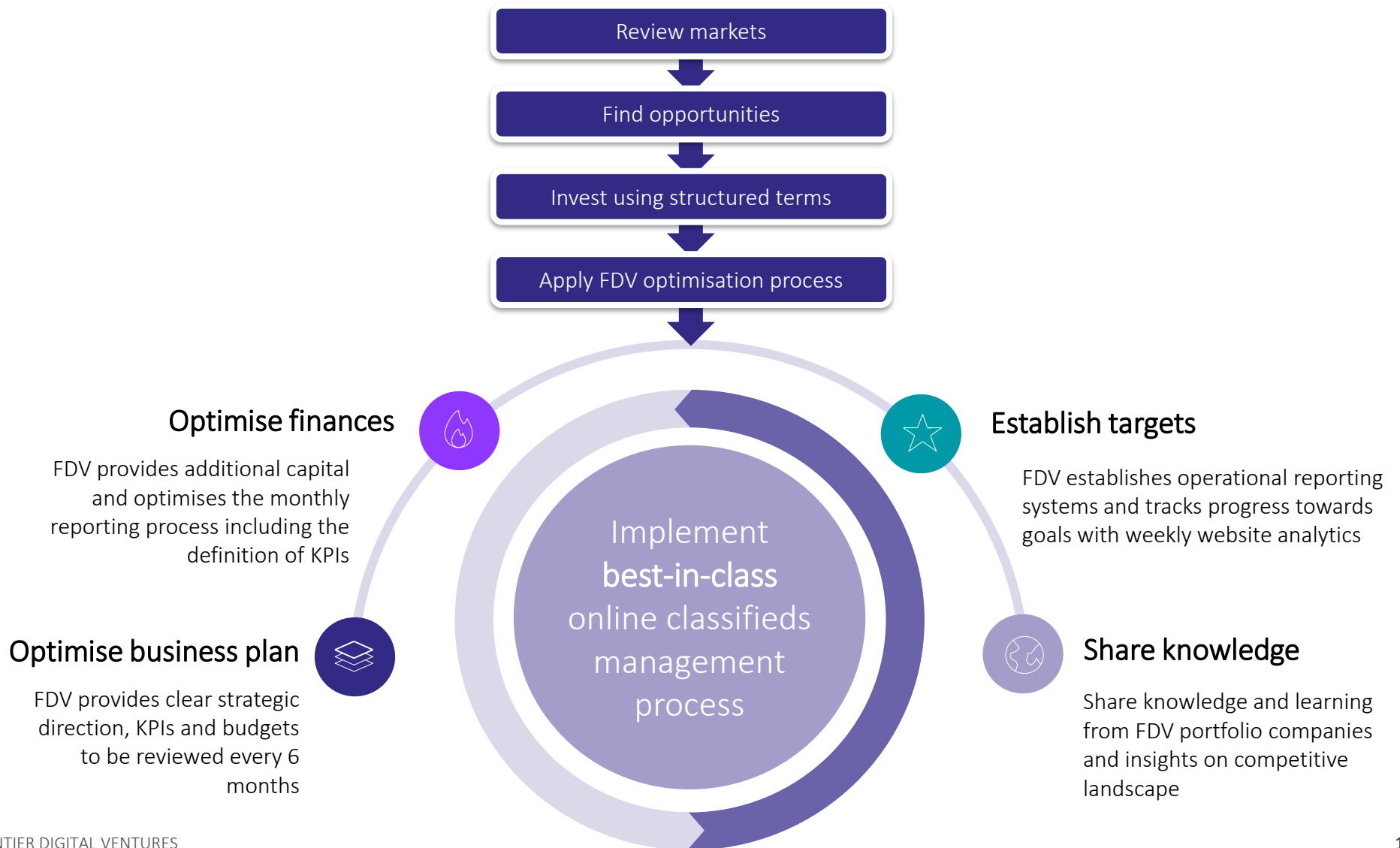


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The FDV optimisation process

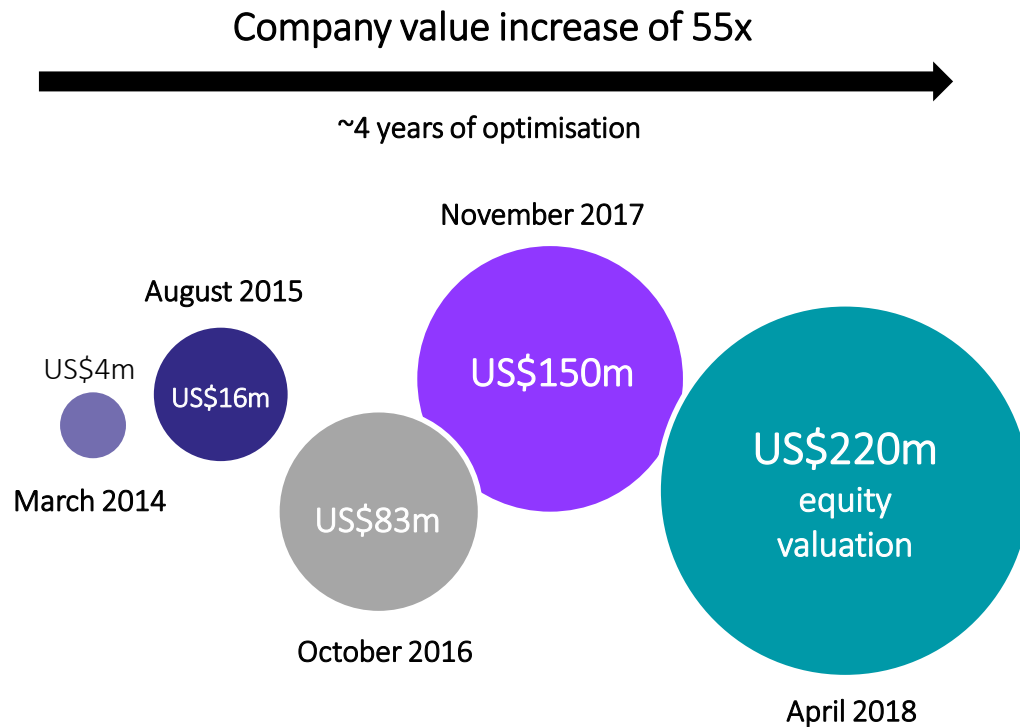


Zameen blueprint: demonstrated value creation

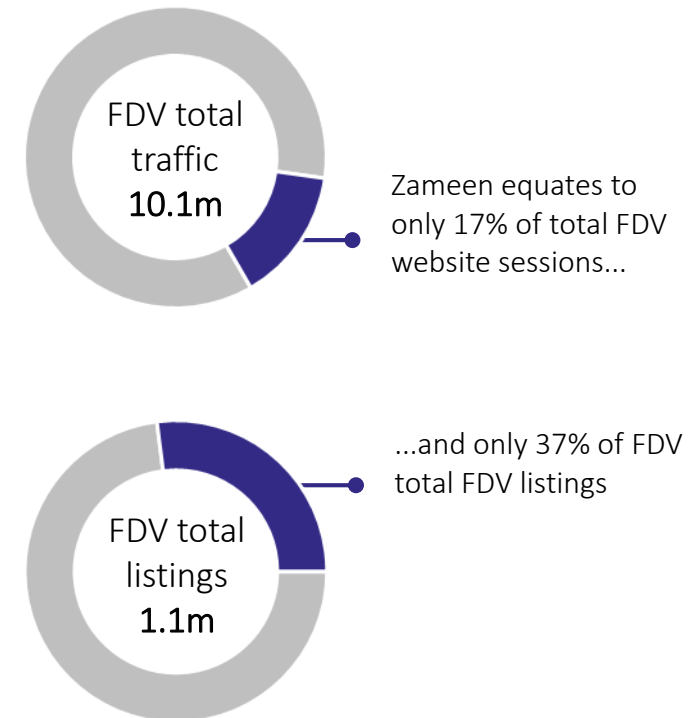


FDV's first investment, Zameen, has already increased in total equity value by more than 55x since the initial investment in March 2014 (30% stake now worth US\$66m)

Growth in Zameen equity value



Contribution to FDV portfolio

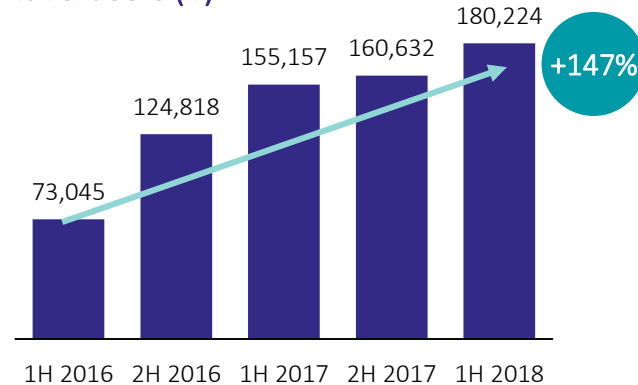


Total portfolio wide growth over key metrics

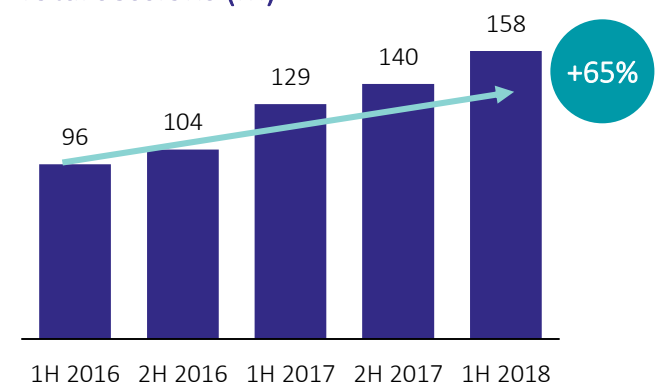


Strong growth in key operating metrics across the portfolio with a **clear focus on important monetisation metrics (advertisers and leads)**

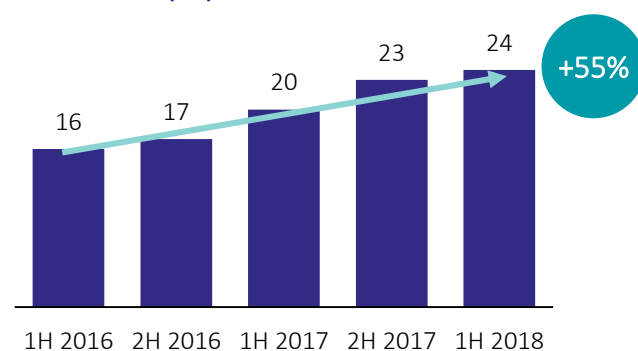
Advertisers (#)



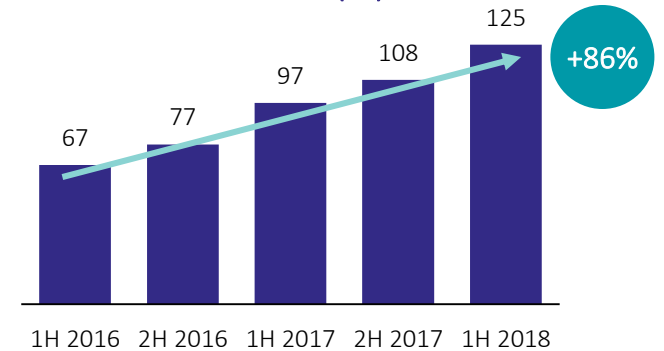
Total sessions (m)



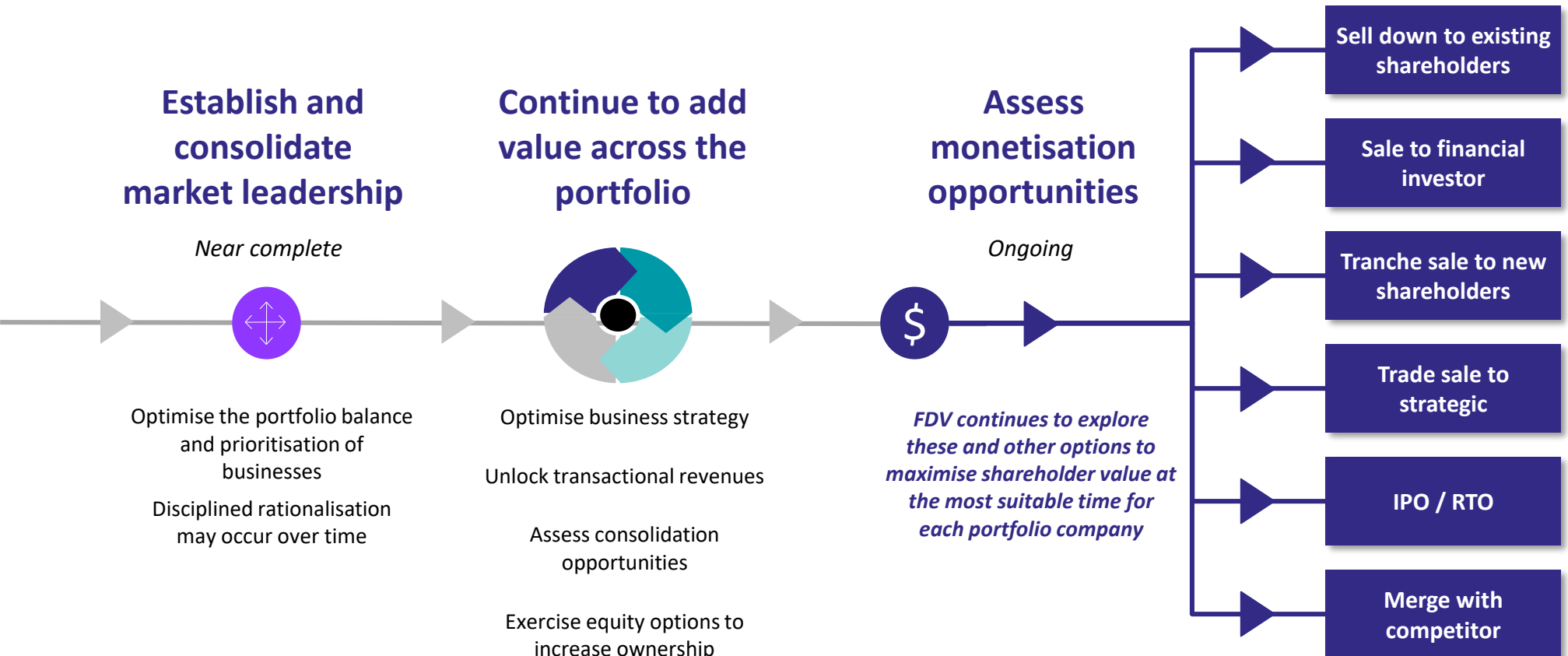
Total leads (m)



Total mobile sessions (m)



Progress towards monetisation opportunities



Appendix

Our portfolio



30% FDV interest

- Zameen.com is the #1 property portal in Pakistan and was FDV's first investment, targeting a market of 200m
- Latest funding round in Zameen completed at a pre-money valuation of US\$220m
- Zameen has extensive reach across the country and leads its competitors in all key operating metrics
- Zameen employs >300 people with a heavy focus on product innovation and its presence in regional areas
- Zameen is focused on continued revenue growth from its position of strong market leadership and branding
- Focus for the next 12 months is to capitalise on transaction revenue opportunities from its position of leadership



342% FDV interest

- Encuentra24.com is the leading general classifieds platform in the key Central American markets of Panama, Costa Rica, Nicaragua and Honduras
- The business was founded in 2005, by Panamanian Wendy Jordan and her Swiss partner Boris Metraux
- Encuentra24.com successfully expanded its leadership position in each of their core markets in 1H 2018
- The execution ability of the Encuentra24.com's entrepreneurs is a strong demonstration of how to successfully grow revenue in multiple markets from one horizontal platform



37% FDV interest

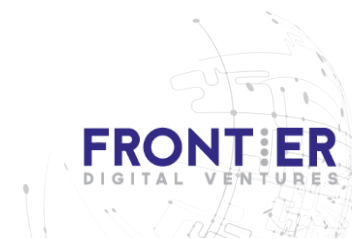
- AutoDeal is the #1 online auto classifieds platform in the Philippines focused on expanding its used car business
- AutoDeal was originally designed as the premier auto classifieds platform focused on new car sales
- Recently it has begun successfully rolling out a "v2.0 online classifieds business model" that focuses on expanding transactional revenue streams, including car financing through its current portal
- AutoDeal was founded by experienced entrepreneurs Daniel Scott and Chris Franks who have operated successful technology businesses in the Philippines for more than 10 years



37% FDV interest

- Pakwheels.com is the leading auto classifieds platform in Pakistan and one of the best examples of the successful roll-out of ancillary revenue streams across FDV's portfolio
- The business was founded in 2006 by local entrepreneurs Hanif Bhatti and Muhammad Raza Saaed, a Computer Science graduate from the Lahore University of Management Sciences
- Pakwheels has a position of strong brand awareness and market leadership, and has successfully launched car inspection services with strong increases in CarSure revenue across 2017

Our portfolio (cont.)



31% FDV interest

- Infocasas is the #1 property online classifieds platform in Uruguay and Paraguay and a leading operator in Bolivia
- Highly strategic investment in the South American online classifieds market into less competitive geographies
- Infocasas continues to demonstrate strong revenue growth as it implements best-practice strategies in conjunction with FDV's management team
- Infocasas generates revenues from online and offline services, including the distribution of its "Infocasas magazine", where it monetises advertisements from property developers and agents.



21% FDV interest

- Innovative online platform used by vendors, buyers and agents in the Philippines to facilitate property transactions
- Hoppler has developed a network of professional brokers connected through the use of Hoppler's proprietary deal management technology, Kumita
- Hoppler was founded by Ramon Balleca, an experienced Silicon Valley entrepreneur
- Considerable opportunity in the Philippines due to localised issues with the existing real estate brokering model and a large, growing population of ~105m people



43% FDV interest

- iMyanmarHouse is the #1 property portal in Myanmar
- Founded in 2013 by Singapore based and educated Burmese Nay Min Thu, who returned to Myanmar in 2013
- iMyanmarhouse has experienced strong growth in property transaction revenue streams supported by the roll-out of FDV's v2.0 classifieds approach
- Monetisation potential is significant with a population of over 54m people and clear position of leadership



20% FDV interest

- Propzy is an online platform that originates and facilitates property sale and leasing transactions in Vietnam
- It has established a clear competitive advantage in Vietnam by focusing on high quality listings from qualified and approved real estate agents.
- Propzy receives a commission based on the sale value the agent achieves.
- The CEO and founder of Propzy, John Le, is a highly successful entrepreneur having founded and sold several technology businesses in North America

Our portfolio (cont.)



39% FDV interest

- PropertyPro.ng (formerly ToLet.com.ng) is the leading property portal in oil-rich Nigeria, now Africa's largest economy and population, standing at a staggering 175 million property-hungry Nigerians
- The portal was first launched in 2013 by four Nigerians, Fikayo Ogundipe, Dapo Eludire, Sulaiman Balogun and Oluwaseyi Ayeni, coming from diverse backgrounds
- In a market that is seeing rapid urbanisation, PropertyPro.ng successfully pivoted, innovated, and grew rapidly, culminating in the acquisition of Jumia House Nigeria in October 2017 to create Nigeria's leading property portal



48% FDV interest

- LankaPropertyWeb.com is #1 property portal in Sri Lanka, a country that has emerged from a long period of civil unrest to become a premier frontier market
- The business was founded in 2007 by UK educated Sri Lankan entrepreneur Daham Gunaratna
- LankaPropertyWeb.com has reached the #1 position against both horizontal and vertical competitors
- Successfully executed on a migration from freemium to full subscription model which is strongly increasing revenues



29% FDV interest

- Kupatana.com is the #1 general classifieds website in Tanzania with a growing presence in Uganda and early stage operations in the smaller adjacent markets of Rwanda and Burundi
- The business was launched as 'Kupatana.com' in 2013 and was founded by Robin Andre Eklund
- The market opportunity for Kupatana is significant with a target population of over 57m people in Tanzania and an increasing focus on revenue growth from its position of market leadership



76% FDV interest

- Carsdb.com is the leading automotive portal in Myanmar, a market of almost 60m people
- Founded in 2012 by three Singapore based and educated Burmese Wai Yan Lin, Myat Min Han and Wai Phyo Kyaw
- Carsdb.com has grown rapidly on the back of new car import laws being relaxed and the rapid uptake of mobile access to the internet.
- Strong growth in users, sessions and revenues over the last 12 months as CarsDB capitalised on its dominant market leadership position

Our portfolio (cont.)



86% FDV interest

- MeQasa.com is the #1 property portal in Ghana, founded in 2013 by Kelvin Nyame and Rashad Seini
- MeQasa.com has recently its former competitor Jumia House Ghana, which is expected to further extend its market leadership
- Ghana is a stand out market in the region as the main English speaking country in west Africa, a population of more than 29m people



56% FDV interest

- Moteur.ma is Morocco's #1 automotive online classifieds platform with the #1 market position by sessions
- Founded in 2009 by local entrepreneur Abderrazak Yousfi and today attracts almost 700,000 site visits per month
- Morocco, one of the most dynamic economies of the MENA and a population of over 35m people
- FDV recently increased its interest in Moteur.ma from 48.67% to 56.62% and on its current growth trajectory is expected to be the next portfolio company upgraded to the tier 1 portfolio status



75% FDV interest

- AngoCarro and AngoCasa are early stage portals and the first to be launched in the burgeoning market Angola, a country of 29m people: one of the fastest growing African economies over the last 10 years
- AngoCarro and AngoCasa were founded in 2015 by Kenneth Hogrefe, a Danish entrepreneur
- Both portals are focused on replicating successful online business models from more developed markets into Angola
- The real estate market is booming in Luanda, with residential prices soaring, commercial properties having some of the highest occupancy costs in the world and a retail market on the uptick



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