

ASX Code: FDV

19 December 2018

LankaPropertyWeb update and acquisition

Highlights

- LankaPropertyWeb, Sri Lanka's #1 property portal, expects to achieve profitability in 2018 following a period of strong revenue growth (+286% over the last 2 years)
- Best-in-class execution has established LankaPropertyWeb as an authority in the property market and is the clear market leader for developers and agents
- LankaPropertyWeb will acquire its largest competitor Lamudi.lk to further consolidate its market leading position and pursue transactional revenue streams
- Acquisition will include the domain name, customers and other assets of Lamudi.lk for a total consideration of US\$125,000 payable in 1Q 2019

Frontier Digital Ventures Limited ("FDV") is pleased to provide an update on LankaPropertyWeb, the #1 property portal in Sri Lanka. FDV made its initial investment into LankaPropertyWeb in August 2015 and currently hold a 48% equity interest.

Operational update

Over the past 2 years LankaPropertyWeb has firmly established itself as the market leading property portal in Sri Lanka. It has been successful in establishing its brand across Sri Lanka and is growing its revenue base from its leadership position. LankaPropertyWeb continues to lead the transformation from print advertising to online across Sri Lanka and is well positioned for future growth in a booming economy which is being largely fueled by growth in the real estate sector. The World Bank forecasts that Sri Lanka's GDP will increase by 5% p.a. in real terms over the next 3 years.

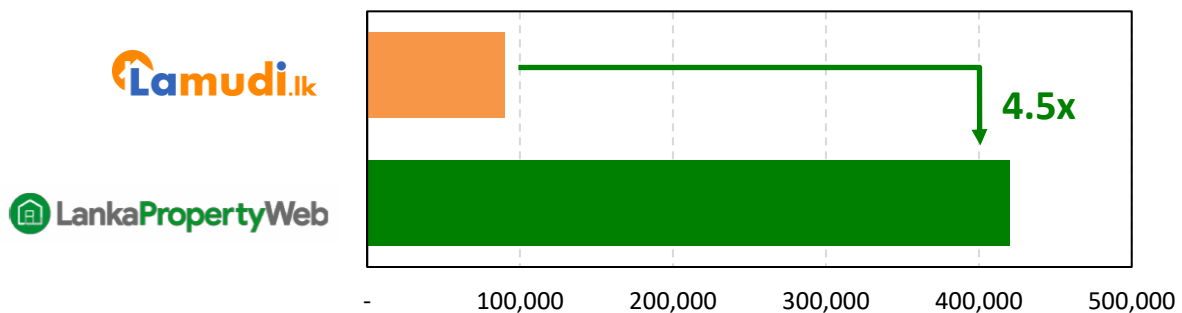
Increase in key LankaPropertyWeb operating metrics over the last 2 years

	3Q 2016	3Q 2017	3Q 2018	Change (%)
Quarterly sessions (000)	826	1,022	1,258	+52%
Registered users (000)	66	84	105	+59%
Quarterly revenue (A\$000)	28	73	108	+286%
Mobile sessions (000)	464	672	860	+85%
Desktop bounce rate	28%	34%	39%	+39%

Acquisition of Lamudi.lk

To further consolidate its position of market leadership, LankaPropertyWeb has executed an agreement which would see it acquire the domain name, customers and other assets of Lamudi.lk for total consideration of US\$125,000. Lamudi.lk is the #2 online real estate portal in Sri Lanka with an average of ~95k visits per month.

Average visits per month



Source: Google Analytics (FDV), company estimates for Lamudi

The consideration will be payable upon completion in 1Q 2019 with the businesses expected to be fully integrated between 6 to 8 weeks from completion. The acquisition consolidates LankaPropertyWeb's position as the leading online real estate classifieds portal in Sri Lanka and is in line with FDV's strategy of establishing and consolidating market leadership across its portfolio of assets.

Outlook for 2019

Key priorities for LankaPropertyWeb in 2019 include driving increased consumer penetration and brand awareness across the platform. LankaPropertyWeb will also focus on growing its core business revenues through increased origination across both agents and developers as well as launching new advertising products online and offline. LankaPropertyWeb is also working towards the full roll out of transactional revenue streams in 2019 following successful trials in 2018.

The business will also look to strengthen its team by building out enhanced sales, product and digital marketing capabilities.

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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 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.