

ASIA PACIFIC DIGITAL INVESTOR UPDATE

December 2017

TRANSFORMATION DELIVERED



Disclaimer

Not an offer

This Presentation is not a prospectus, product disclosure statement or other offering document under Australian law or any other law. This Presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction (and will not be lodged with the U.S Securities Exchange Commission).

No Advice

This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation to acquire entitlements or shares in the Company and does not and will not form any part of any contract for the acquisition of shares in the Company. Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of the Company and the impact that different future outcomes may have on the Company. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction.

Foreign Jurisdictions

This Presentation may not be released or distributed in the United States. This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States.

Future performance

This Presentation contains certain 'forward looking statements'. Forward looking statements can generally be identified by the use of forward looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target' 'outlook', 'guidance' and other similar expressions within the meaning of securities laws of applicable jurisdictions. You are cautioned not to place undue reliance on forward looking statements. The statements, opinions and estimates in this Presentation are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. The forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Company, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results, achievements or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation. The forward looking statements are based on information available to the Company as at the date of this Presentation.

Past performance

Investors should note that past performance is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future the Company's performance. The pro forma historical information is not represented as being indicative of the Company's views on its future financial condition and/or performance.

Disclaimer

Neither the Company or its advisers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents, have authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation and, except to the extent referred to in this Presentation, none of them makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by any of them. To the maximum extent permitted by law, the Company and its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation.

Statements made in this Presentation are made only as the date of this Presentation. The information in this Presentation remains subject to change without notice.

Investment Thesis

1. APD is a digital transformation company

- Providing the services that enable large corporate clients to compete in the digital economy: strategy, technology, performance marketing and analytics
- Guiding some of the region's largest companies through disruption challenges and the transformation process

2. Unique regional platform

- 300+ digital experts across Singapore, Malaysia, the Philippines, Australia and New Zealand
- Unique capability and geographic coverage across APAC

3. Long term growth opportunity

- Large corporates are actively seeking assistance to understand and execute on technology-driven threats/opportunities (digital transformation)
- APD has delivered consistent 20-30% annual growth in Asia (ex-Ford)
- Digital transformation provides APD with a long term revenue growth opportunity in Australia and across the region

4. Pathway to profitability

- APD is scaling its international businesses into profitability - high quality leadership driving growth and profits
- Laser focus now on moving Australia into profit: new management plus digital transformation offer provide the pathway
- Robust new business pipeline

5. Opportunity to Build Value with Strategic Partner

- APD is in receipt of partnering / acquisition proposals from several international organisations that have minimal presence in Asia Pacific
- APD is pursuing these discussions because the right partnership has the capacity to enhance APD's operating performance and value
- Pursuing outcomes that could reasonably deliver a 3-5x increase in shareholder value based on moderate revenue growth over 3-4 years

Overview of APD | Focus

Who are we?

We are a digital transformation business delivering growth for our clients.

What do we do?

We bring together strategy, technology and digital marketing to create the best customer experiences.

Why do we do it?

To be recognised for creating profound value for our clients and pride for our people.

Overview of APD | Company Background

Ticker	DIG
Established	April 2014 via merger with existing listed coy to build regional APAC business
Share Price	\$0.12
Market Capitalisation	\$14.4m
Board of Directors	Roger Sharp, Chairman Mark Dalglish Fionn Hyndmann Peter Hynd
Advisory Council	Rajiv Wahi Nonoy Colayco Kim Pfitzner

Major Shareholder



- North Ridge Partners invests in and advises technology companies within the Asia Pacific region
- Partnership between management and Victor Smorgon Group
- Manages funds for ~50 family offices and HNW
- Australia, New Zealand, Singapore
- Holds ~61% shareholding in APD

High Level Strategy

1. BUILD

Build integrated digital transformation business operating across ANZ and Southeast Asia

COMPLETE

2. OPTIMISE

Deliver scale and sustained profitability from the regional network

WORK IN PROGRESS

3. PARTNER

Partner with strategic industry player to deliver full potential

LIKELY OUTCOME

Overview of APD | Unique Regional Platform

- Grown from ANZ base into Southeast Asia via M&A, integration and organic growth
- Unified regional capability with all business units 100% owned, operating under the APD brand and scalable regional delivery
- Team of 300+ digital experts

Capabilities

DIGITAL TRANSFORMATION

- Consulting
- Transformation planning and roadmaps
- Channel strategy
- Research

CUSTOMER EXPERIENCE

- Personas
- Customer journey roadmaps
- Service blueprinting
- Customer experience design

CUSTOMER ENGAGEMENT

- Marketing automation
- Social media
- Retention and lifecycle marketing

TECHNOLOGY

- Enabling marketing process with technology
- Digital platform builds
- Support and maintenance of digital IT environment
- Partnerships with major s/w platform vendors

DIGITAL MARKETING

- SEO & content creation and curation
- Paid search & Media
- Affiliate marketing

ANALYTICS

- Customer experience analytics
- Media analytics

Technologies / Partners



sitecore



REGIONAL

~10 FTEs

MALAYSIA

16% of revenues
~115 FTEs

PHILIPPINES

1% of revenues
~65 FTEs
Delivery Hub

SINGAPORE

9% of revenues
~20 FTEs

NEW ZEALAND

7% of revenues
~15 FTEs

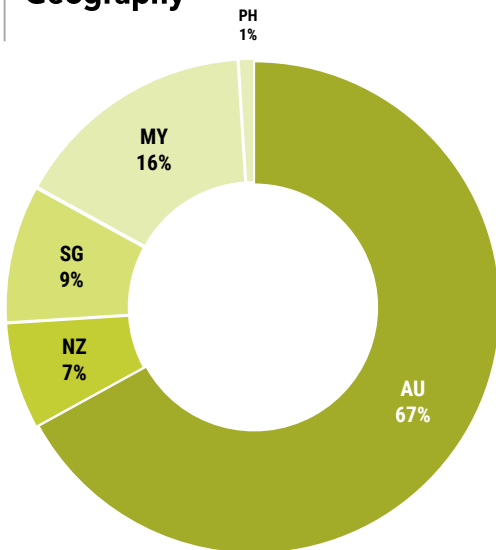
AUSTRALIA

67% of revenues
~90 FTEs

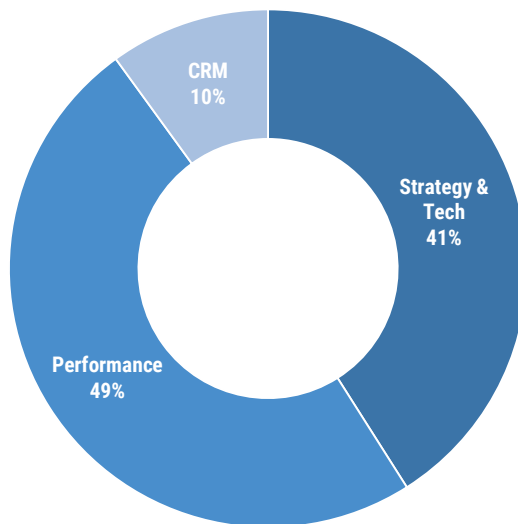
Full regional coverage is provided from key country hubs

Overview of APD | Revenue Profile

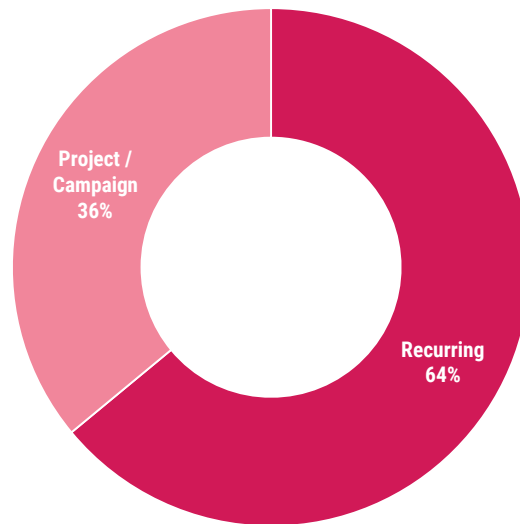
**By
Geography**



**By
Service**



**By
Tenure**



Overview of APD | Key People



Scott Player
CEO Australia

18+ years' experience spanning technology, marketing, media, creative, digital and start-ups.



Simone Iles
CEO New Zealand

20+ years of senior marketing roles in retail, telco, financial services and Government, has led several digital transformations.



Ines Almeida
Chief Transformation Officer

20+ years of experience in technology, business strategy, innovation and change, having worked for companies such as KPMG, Thoughtworks and SapientNitro.



Andrew Burgess
Head of Technology

20+ years' experience in Finance, Telecoms, Automotive and Professional Services, leading large teams designing, delivering and operating global digital platforms.



John Matthews
Head of Performance

15+ years' experience across all areas of Performance Marketing in the UK, Australia and Southeast Asia.



Tobias Wilson
CEO Singapore

10+ years of experience building and running digital businesses in Asia.



Chee Hung Goon
CEO Malaysia

15+ years in advertising and digital marketing in Malaysia and Vietnam.



David Caldwell
CEO Philippines

30+ years of corporate leadership with 16 in Philippines BPO.

Digital Transformation Opportunity

- APD's Digital Transformation consulting offering was launched in early 2017 to leverage APD's core services
- Two core components:
 - **Initial Transformation 'Sprint'** - a six-week strategic consulting project to establish, clarify and document a client's digital strategy and transformation needs ahead of longer-term and larger-scale engagement
 - **Transformation Project Delivery** - a multi-year, retained project across multiple disciplines to plan and execute digital strategies
- 'Sprints' have been completed for two household names in H1
- Project Delivery for these Sprints is in advanced planning - expected to commence in H2
- Material uplift likely when Delivery commences
- Pipeline of new 'Sprints' scheduled for H2 - strong growth prospects

What is Digital Transformation?

- Digital transformation is the investment by companies in technology, business models and processes to compete effectively in the fast-moving digital economy.
- Clients undergoing digital transformation typically engage business partners like APD in multi-year, retained relationships across multiple disciplines to assist in the planning and execution of digital strategies.
- The rapid pace of technology development means that most of APD's corporate clients are now considering or undergoing some form of digital transformation to gain or retain competitive advantage.

Why APD?

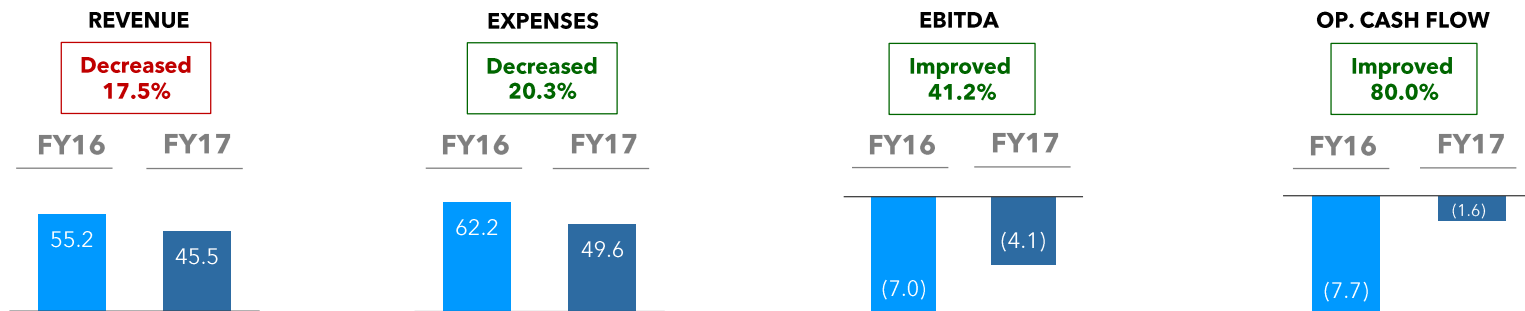
Digital transformation is a rapidly growing, but competitive space. APD is successfully competing and winning against major consultancy groups:

- **Independence** - APD is not wedded to a particular technology and works with clients to fit solutions to needs rather than single mandated solution.
- **Agility** - using 'agile' methodology, APD can quickly deploy a small team to work on a short-term sprint that allows a client to commence their transformation in a fast, cost-effective and highly responsive manner
- **Technology-led** - where others go to market along industry verticals, APD's solution is industry-agnostic and informed by a deep understanding of technology.
- **Practitioners** - APD can also execute on large components of the project via its experienced team of digital marketers and technologists around the region.

Pathway to Profitability | FY18 and Current Half

FY17 Progress - substantial improvements in FY17 across costs, EBITDA and operating cash flow

- APD lost its major client, Ford Motor Company, setting back profitability by 12 months
- APD launched its digital transformation consulting offer in response, to build multiple client revenue streams and minimise client concentration
- Recent client wins and pipeline are replacing Ford revenues



1H FY18

- New Zealand and Singapore recording record revenues - all businesses outside Australia are now in or moving into profit
- New management in Australia plus new business pipeline will drive profit improvement in CY18
- Revenue reductions and restructuring costs associated with Ford will impact H1 with H1 revenues and EBITDA down on PCP

Pathway to Profitability | Looking Forward

FY18 Target: Australia is key - new management team plus growing digital transformation pipeline provide the pathway to profit

MALAYSIA

% of Revenues 16%

Contribution Long term profitable, high margin

- Commentary**
- Built from five to 114 FTEs over five years.
 - Delivered consistently strong profit margins in recent years

SINGAPORE

% of Revenues 9%

Contribution Recently moved to profit

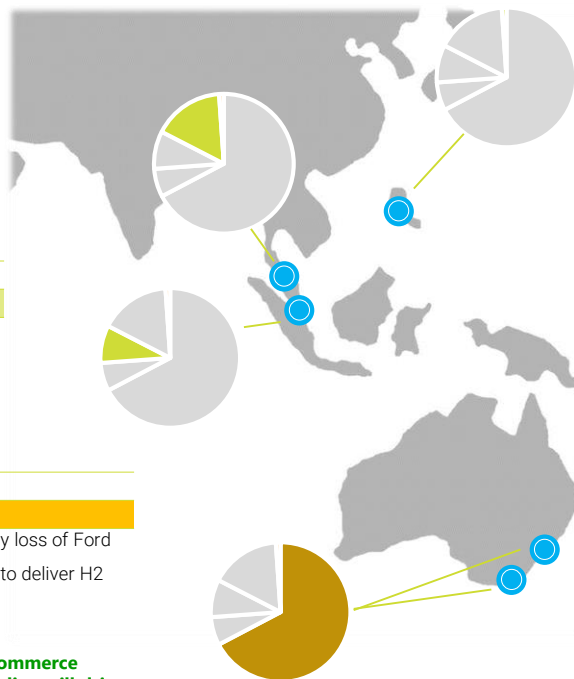
- Commentary**
- Acquired in 2015, capabilities expanded, revenues grown threefold, moved into profit in Q2 FY17
 - Outlook for continued growth

AUSTRALIA

% of Revenues 67%

Contribution Loss-making

- Commentary**
- Australia most significantly impacted by loss of Ford
 - Retained highly experienced personnel to deliver H2 pipeline opportunities
 - Short-term drag on bottom line
 - Delivering key transformation & e-commerce projects that are currently in the pipeline will drive Australia into profit**



PHILIPPINES

% of Revenues 1%

Contribution Delivery hub – cost centre

- Commentary**
- Delivery hub operating well to support group
 - Underutilised at current revenue levels
 - Higher utilisation will unlock attractive economics

NEW ZEALAND

% of Revenues 7%

Contribution Recently moved to profit

- Commentary**
- Invested in building team & expanding capabilities.
 - Now seeing outcomes with strong revenue growth / profit in recent months from transformation projects

REGIONAL

Staffing 10 staff

Contribution Costs fully allocated to countries

- Commentary**
- CEO, CFO, HR, legal, finance

Opportunity to Build Value with Strategic Partner

Strategic Partner Strategy

- APD supports its clients with a comprehensive suite of digital transformation, technology and marketing services across the region
- Many global consulting, transformation and marketing service providers need to be able to serve their clients in APAC, but have no presence here
- An acute talent shortage, combined with few acquisition targets operating at scale, makes it challenging for them to expand in APAC

Benefits of Partnering

- APD has a viable strategy with, or without, a strategic partner
- The right strategic partner would be an *accelerator* to drive growth through leveraging APD's regional platform

Current Process

- Initial exploration process commenced 12 months ago. Informal discussions have continued
- Multiple non-binding indicative proposals have been received in last two weeks
- Negotiations are expected to continue through Q3
- Directors believe that there is a good prospect of reaching agreement with one of the parties, however proposals are subject to further negotiation, due diligence and approvals, and therefore remain subject to completion risk
- Pursuing outcomes that could reasonably deliver a 3-5x increase in shareholder value based on moderate revenue growth over 3-4 years.

Investment Thesis

1. APD is a digital transformation company

- Providing the services that enable large corporate clients to compete in the digital economy: strategy, technology, performance marketing and analytics
- Guiding some of the region's largest companies through disruption challenges and the transformation process

2. Unique regional platform

- 300+ digital experts across Singapore, Malaysia, the Philippines, Australia and New Zealand
- Unique capability and geographic coverage across APAC

3. Long term growth opportunity

- Large corporates are actively seeking assistance to understand and execute on technology-driven threats/opportunities (digital transformation)
- APD has delivered consistent 20-30% annual growth in Asia (ex-Ford)
- Digital transformation provides APD with a long term revenue growth opportunity in Australia and across the region

4. Pathway to profitability

- APD is scaling its international businesses into profitability - high quality leadership driving growth and profits
- Laser focus now on moving Australia into profit: new management plus digital transformation offer provide the pathway
- Robust new business pipeline

5. Opportunity to Build Value with Strategic Partner

- APD is in receipt of partnering / acquisition proposals from several international organisations that have minimal presence in Asia Pacific
- APD is pursuing these discussions because the right partnership has the capacity to enhance APD's operating performance and value
- Pursuing outcomes that could reasonably deliver a 3-5x increase in shareholder value based on moderate revenue growth over 3-4 years

ASIA PACIFIC DIGITAL

INVESTOR UPDATE

December 2017

TRANSFORMATION DELIVERED

