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ASX Code: FDV

6 February 2017

COMPANY UPDATE

Frontier Digital Ventures Limited ("Frontier", ASX: FDV) is pleased to release a new investor presentation, which the CEO and Founder of Frontier, Shaun Di Gregorio, will be presenting at a series of upcoming institutional investor meetings.

The purpose of the meetings is to introduce the story to a range of new investors and highlight the rapid progress Frontier has made since its IPO in August 2016.

Frontier provides investors with a diversified portfolio of high growth online classifieds businesses in some of the fastest growing emerging markets. This new investor presentation highlights Frontier's compelling investment case.

Investment highlights

- Frontier is the **leading global operator** of online classifieds businesses in frontier markets
- Frontier's portfolio of 15 online classifieds businesses is **rapidly progressing towards monestisation**
- Frontier's first investment, Zameen, has already increased in value by **more than 5x on the investment to date (stake now worth US$27m)**
- Frontier's subsequent 14 investments are following the **successful Zameen blueprint**
- Management team has a **proven track record of generating significant shareholder value** in online classifieds business models
- Frontier's structured investment terms include **valuable call options over several portfolio companies** that are expected to generate additional shareholder value over time
- Frontier's portfolio companies are **at the forefront of the v2.0 online classifieds model evolution**
- Target geographies are experiencing some of world's **fastest growing GDP per capita and internet penetration**

For more information, please contact:

Shaun Di Gregorio
Chief Executive Officer
Tel: +60 17 207 6221
Email: shaundig@frontierdv.com

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ONLINE CLASSIFIEDS IN FRONTIER MARKETS

COMPANY UPDATE | FEBRUARY 2017

INVESTMENT HIGHLIGHTS

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Frontier provides investors with a diversified portfolio of high growth online classifieds businesses in some of the fastest growing emerging markets

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FRONTIER SNAPSHOT

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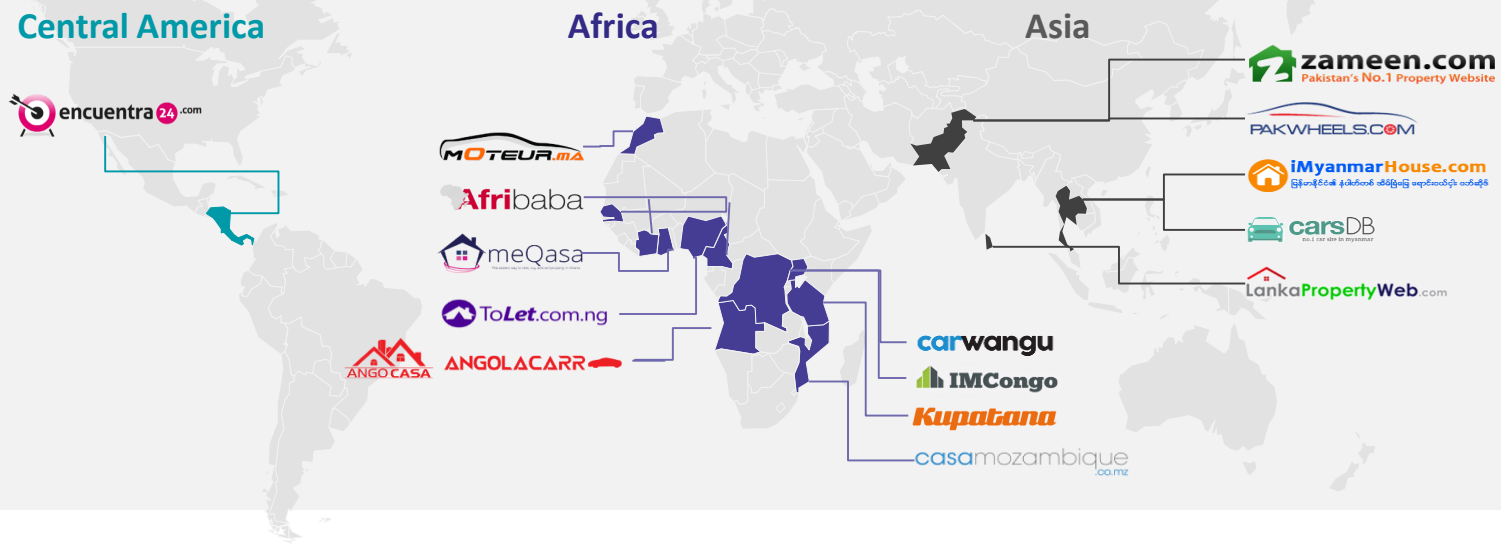
Frontier is the leading global operator of online classifieds businesses in frontier markets

- Focuses on early stage, locally-based operating companies where the team's expertise in strategy and execution in online classifieds can add material value
- Identifies and invests in companies at a significant discount to the value which may be created post Frontier's 3 to 5 year optimisation process
- Targets countries experiencing some of world's fastest growing GDP per capita and internet penetration



MATURING PORTFOLIO

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Frontier is currently optimising the operations of its 15 online classifieds investments and rapidly progressing these investments towards monetisation

Investment progression

Currently monetising

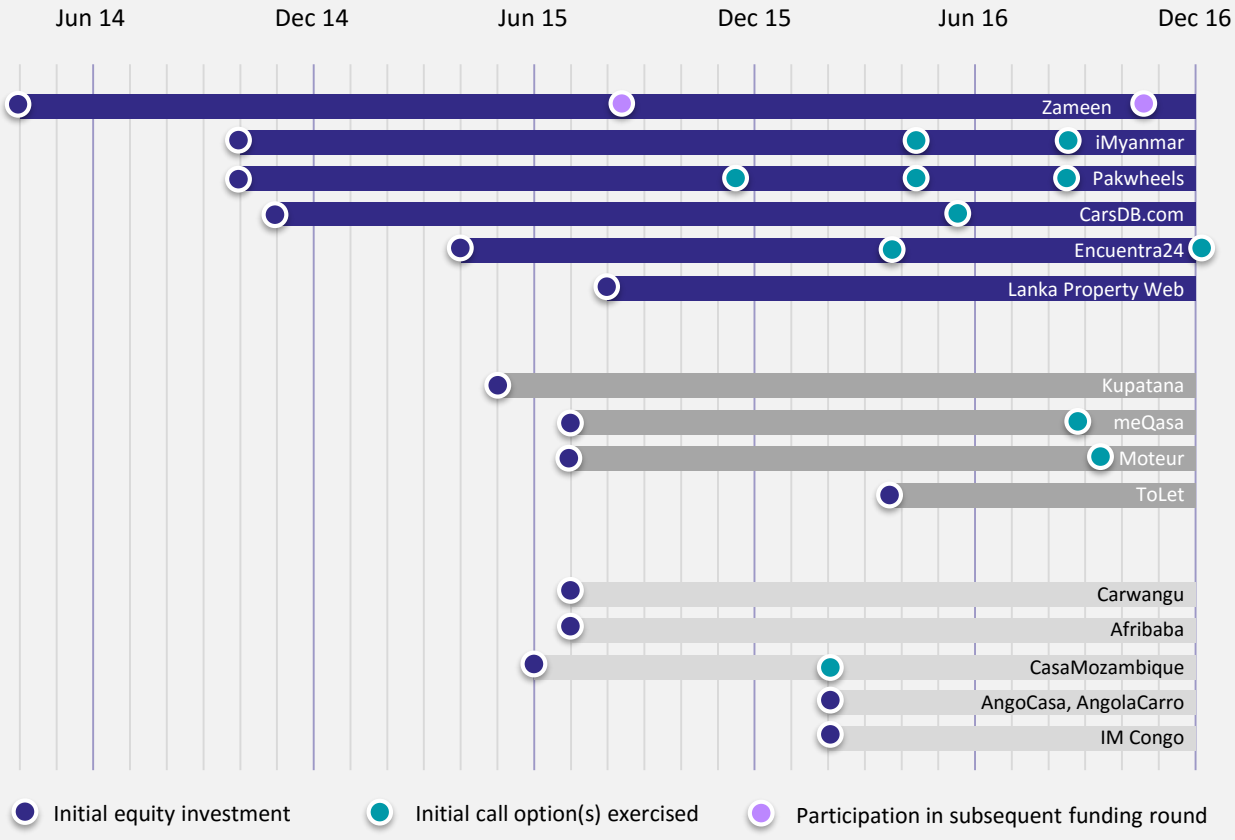
- Investments at this stage are focused on increasing revenues
- Uses targeted marketing and build out of product range

Monetisation planning stage

- Investments at this stage are focused on improving quality of listings and leads
- Traffic also will increase through SEO, UX and platform developments

Growing operating metrics

- Investments at this stage are primarily focused on increasing listings and advertisers
- Marketing awareness exercises are also undertaken



DEMONSTRATED VALUE CREATION

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- Frontier's first investment, Zameen, has already increased in value by more than 5x on the investment to date (stake now worth US$27m)

Growth in Zameen equity value

Company value increase of 22.5x

~2.5 years of optimisation

March 2014

US$1.2m

Value of Frontier's initial 30% investment

August 2015

US$4.7m

Value of Frontier's 30% investment in August 2015 funding round

(+US$1.5m investment)

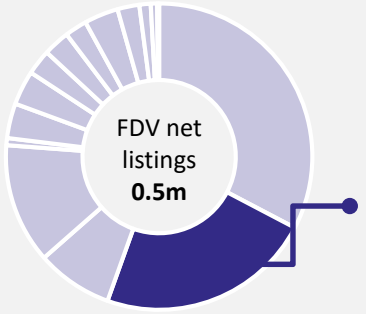
October 2016

US$27m equity valuation

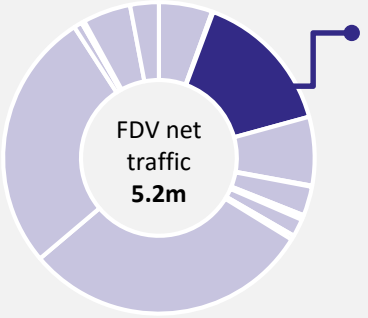
Value of Frontier's 30% investment in latest funding round (4 months ago)

(+US$2.1m investment)

Zameen proportion of Frontier portfolio



Zameen equates to only 23% of net Frontier website listings...



...and only 15% of Frontier net monthly traffic

ZAMEEN BLUEPRINT

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Frontier's further 14 investments are following the Zameen blueprint and are rapidly progressing towards monetisation

Zameen optimisation process

Implement best-practice strategies

- Zameen was optimised based on Frontier management's experience in managing REA Group and iProperty
- Initially reviewed existing strategy and established common goals with Zameen founders

Establish operational structures

- Agreed structure with clear goals on Zameen portal sales and marketing effectiveness

Optimise Zameen reporting systems

- Allowed efficient KPI tracking
- Zameen now has over 600 employees

Drive Zameen towards #1 portal in Pakistan

- Focus first on industry side and agencies
- Within 24 months Zameen had more than 300,000 listings and over 3.2m visits in Pakistan

Consolidate Zameen brand

- Established Zameen as the trusted source of property for sale and rent
- Collect and leverage property related data and information

Optimisation of key metrics

	Mar-14	Nov-16	Change (%)
Agencies (#)	4,958	11,231	+127%
Paying agencies (#)	752	6,443	+757%
Active listings (#)	77,631	336,281	+333%
Unique visitors (#)	293,274	1,037,592	+254%
Visits (#)	618,661	2,986,769	+383%
Desktop visits (#)	462,366	1,123,810	+143%
Mobile visits (#)[1]	156,295	1,862,959	+1,092%
Total leads (#)	125,734	613,040	+388%
Revenue accr. (PKR)	4,297,032	49,941,667	+1,062%

Note:
1 Includes App visits

Significant increases in operational metrics since initial investment

SHIFT TO TRANSACTION REVENUE – ONLINE CLASSIFIEDS v2.0

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Frontier markets present a significant opportunity to roll-out the v2.0 online classifieds business model and benefit from transactional revenue streams

– There exists a significant opportunity to roll-out v2.0 of the online classifieds business model which focuses on **new, transactional revenue opportunities** which arise due to unique issues faced by frontier markets including:
  - Low levels of trust between buyers and sellers
  - Lack of access to traditional payment instruments
  - Lack of financial infrastructure to support safe payments
  - Comparatively higher mobile penetration

		realestate.com.au	zameen.com
			Online classifieds v2.0
Traditional model			
Home services / design	Featured content on design ideas	✓	✓
Valuation and data	Valuation tools and historical sales data	✓	✓
Property listings	Listings of properties for sale or for rent	✓	✓
Transaction revenue – online classifieds v2.0			
Mortgage broking	Provision of mortgage broking services to home buyers		✓
Transaction facilitation	Facilitation of price negotiations and transaction escrow services		✓
Relocation services	Provision of logistical services		✓
Property management	Provision of property rental management services		✓

Transaction services ***(typically higher margin)***

PROVEN EXPERIENCE OF MANAGEMENT TEAM

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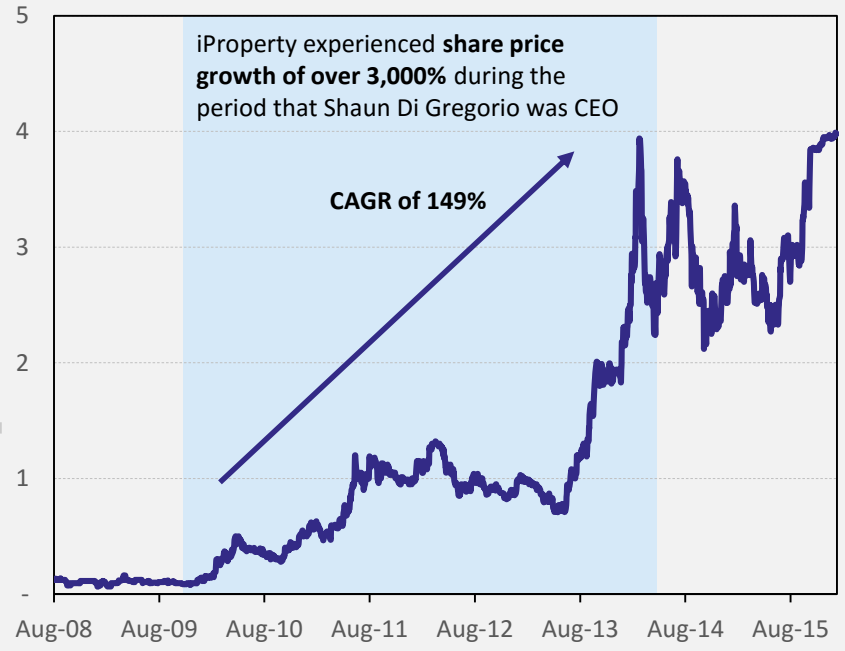
- Management team has a proven track record of generating significant shareholder value in online classifieds business models

Track record of generating shareholder value

iProperty share price (A$)



iProperty management team now leading Frontier

Shaun Di Gregorio
Chief Executive Officer & Founder

- Previously CEO at iProperty (ASX: IPP) from 2010-2014
- Previously GM at REA Group (ASX: REA) from 2001-2009

Shiao Mae Chan
Chief Financial Officer

- Previously CFO of iProperty including through its acquisition by REA Group in 2015

Shen Loh Lim
Director of Growth and Operations

- Previously spent over 7 years at iProperty in multiple roles including Country General Manager of Malaysia

CATCHA GROUP

- Co-founders of Frontier with Shaun Di Gregorio
- Premier ASEAN technology investment company
- The Group has made growth equity and venture capital investments in new media, online classifieds, and OTT businesses across the emerging world

WHY FOCUS ON FRONTIER MARKETS?

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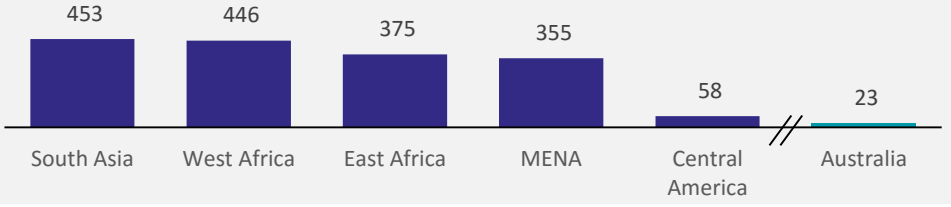
Frontier markets present a compelling opportunity for entrepreneurial teams to leverage their experience and capitalise on a sizeable first-mover advantage

- Frontier is active in early stage markets, ahead of larger media companies such as Naspers, Axel Springer and Tiger, who wait for a clear market leader to emerge
  - This first-mover strategy is followed by vertical specialists such as REA Group and Carsales
- Investing in frontier markets carries several advantages including:
  - First-mover advantage in becoming the market leader in an unsaturated market
  - Ability to leverage knowledge gained in established markets and existing online classifieds models
  - Higher importance on local knowledge and businesses run by local teams
  - Frontier markets with large populations are starved of new capital for technology businesses
  - Online classified business models are rapidly evolving to capture the move to mobile only platforms and the desire of customers for platforms to host more of the transaction (i.e. mortgage broking, validation)

Frontier markets categorized by rapid growth

	Developed	Emerging	Frontier
GDP per capita	> US$20,000	US$5,000 to US$20,000	**< US$5,000**
GDP growth rate (2014)	1.6%	3.5%	**6.5%**
Internet usage	83.6%	54.5%	**24.4%**
Internet growth (CAGR 2009-14)	6%	14%	**20%**
Mobile usage	124.4%	110.3%	**72.9%**
Mobile growth (CAGR 2009-14)	2.6%	10.4%	**15.2%**
Urbanisation growth (annual %)	0.6%	2.2%	**4.2%**

Population of Frontier's target markets (m)



Source: World Bank

FRONTIER'S DIFFERENTIATED STRATEGY

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Frontier has a differentiated investment strategy that combines the drive of well invested local founders with Frontier's top tier experience building online classifieds businesses

Frontier's clear strategy…

1 Acquire/build market leaders in each region

- Achieving clear market leadership is a forerunner to effective monetisation of online classifieds businesses

2 Empower and support well-invested founders

- Focus on partnering with local entrepreneurs with significant 'skin in the game'
- Avoids the strategy of global players who deploy ex-pat CEOs with limited understanding of local market dynamics and lack of personal investment

3 Deploy clear business plans and KPIs

- Rigorously monitor all portfolio companies to enable Frontier to track progress and add value
- Use clear KPIs to drive companies to achieve key milestones on a month-to-month basis

…and unique position to execute

Unparalleled experience in emerging online classifieds

- Management have been investing into and managing online classifieds businesses since 2001

A true operational partner

- The preferred partner of emerging online classified companies
- Local founders value the increased flexibility
- Also not beholden to venture capital style unit-holders and their requirements

Bespoke business model designed for frontier markets

- Specialist in navigating the unique issues that online classified businesses face in frontier markets
- Learnings are shared across the portfolio

STRATEGIC VISION FOR FRONTIER

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- Frontier is currently executing on its short- to medium-term plan of taking 10 online classifieds businesses to monetisation

Establish portfolio

Complete

Raise capital and establish initial portfolio of tier 1 investments

Bring 10 businesses to monetisation

Underway

Near-term goal is to bring 10 portfolio businesses into monetisation stage

Portfolio rationalisation

Underway

Disciplined rationalisation may occur over time

Establish >A$100m market value for each investment

Establish value for investments through subsequent funding rounds and/or stake sales targeting an initial A$100m valuation each

Monetise equity

Frontier will consider exiting its investments if and when appropriate, in the best interests of shareholders

3 – 5 year process of active value optimisation

MARKET POSITION OF INVESTMENTS

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Frontier is focused on achieving a market leading position in all of its investments as a key requirement to being able to successfully monetise its user base

Currently monetising

zameen.com	#1	
PAKWHEELS.COM	#1	
iMyanmarHouse.com	#1	up from #2 on investment
carsDB	#1	
encuentra24.com	#1	
LankaPropertyWeb.com	#1	

Clear market leadership and focused on revenue

Monetisation planning stage

meQasa	#1	up from #2 on investment
MOTEUR.MA	#1	
ToLet.com.ng	#2	up from #4 on investment
Kupatana	#2	

Establishing position in competitive markets

Growing operating metrics

casamozambique.co.mz	#1	up from #2 on investment
carwangu	#1	
ANGOLACARR	#1	
IMCongo	#1	
Afribaba	#2	up from #3 on investment
ANGOCASA	#2	up from #3 on investment

Driving towards market leadership

Source: SimilarWeb

REVENUE ANALYSIS

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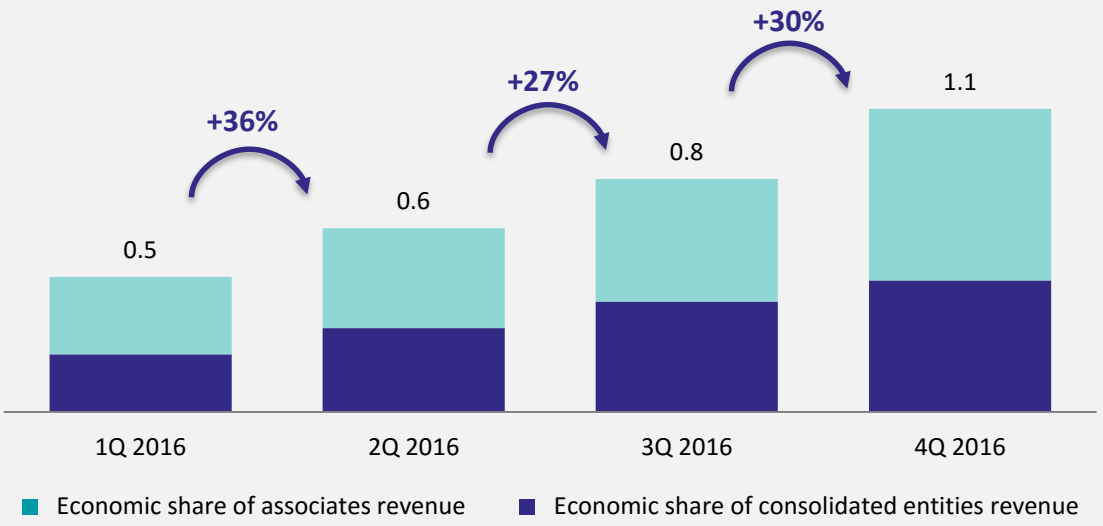
The effects of equity consolidation on Frontier's reported revenues must be considered when analyzing the substantial revenue growth across the portfolio

Accounting treatment of consolidated and equity portfolio investments

- Frontier accounts for 5 out of 15 investments (including Zameen) as 'associates' under the equity method in AASB 128
- Reported revenue does not include Frontier's economic share of gross operating revenues from associates

Frontier's economic share of revenue (US$m)

- Economic revenues show much stronger growth in the underlying businesses



+125% growth rate over last four quarters

EQUITY VALUE UPSIDE

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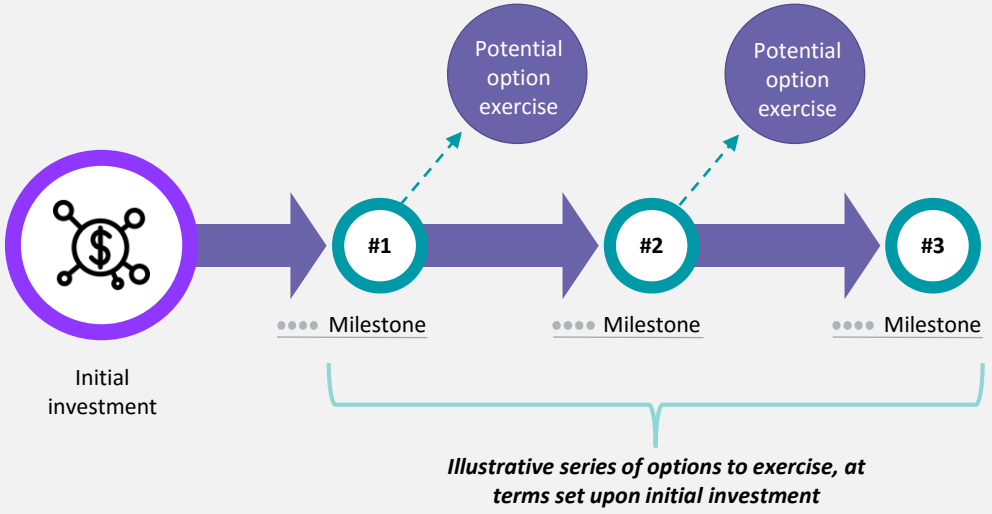
Frontier's structured investment terms include valuable call options over several portfolio companies that are expected to generate additional shareholder value over time

- Frontier negotiates an investment structure that often includes an initial investment along with call options for further investment, at its election
- These call options have the following terms:
  - **Exercise price:** agreed at time of initial investment and tied to various performance hurdles
  - **Term:** agreed at initial investment
- These options are expected to generate substantial value for Frontier shareholders over time
- Frontier also typically structures investments with valuable anti-dilution clauses

Illustration of real options created through structured investment terms



EQUITY CALL OPTIONS

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Frontier's structured investment terms include valuable call options over several portfolio companies that are expected to generate additional shareholder value over time

	Operating company	Shareholding to be acquired	Amount payable (US$)	Expiry date	Decision
Currently monetising	Pakwheels	8.3%	1,000,000	Dec-15	✓ Exercised
	Encuentra24	5.8%	1,050,000	Apr-16	✓ Exercised
	Pakwheels	1.8%	250,000	May-16	✓ Exercised
	iMyanmarHouse	14.2%	700,000	May-16	✓ Exercised
	CarsDB	10.0%	330,000	May-16	✓ Exercised
	CarsDB	6.7%	500,000	May-16	✓ Exercised
	Pakwheels	1.7%	250,000	Sep-16	✓ Exercised
	iMyanmarHouse	3.4%	300,000	Sep-16	✓ Exercised
	Encuentra24	3.8%	933,000	Dec-16	✓ Exercised
	LankaPropertyWeb	10.5%	200,000	Feb-17	
	Encuentra24	3.4%	1,051,095	Apr-17	
	Pakwheels	10.0%	2,000,000	Jul-17	
Monetisation planning stage	CasaMozambique	15.4%	250,000	Feb-16	✓ Exercised
	Meqasa	6.0%	300,000	Sep-16	✓ Exercised
	CasaMozambique	8.7%	300,000	Jul-16	× Lapsed
	Moteur	11.3%	250,000	Oct-16	✓ Exercised
Growing operating metrics	IMCongo	9.50%	200,000	Feb-18	
	TechAfrica	11.20%	276,000	Feb-18	

Options currently outstanding

DISCIPLINED ACQUISITION PROCESS

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Frontier continuously assesses investment opportunities using its well defined approach with its focus now shifting towards opportunities that are closer to monetisation

>2,000

Database of global online classifieds

>1,500

Opportunities analysed and ranked

10-15

Currently shortlisted opportunities

Monitoring of all online classifieds businesses in key verticals

Frontier's database allows it to:

- Navigate frontier markets efficiently
- Identify early stage companies ahead of larger media companies such as Naspers, Axel Springer and Tiger
- Identify companies emerging as market leaders

Analytical ranking using proprietary system

Benchmarking metrics include:

- Large target population
- Rapid rates of urbanisation
- Low-base, high growth GDP per capita
- Low-base, high growth mobile penetration
- Low-base, high growth internet penetration
- Market stability and freedom to invest

Due diligence and negotiations with owners

Advanced due diligence and negotiations are undertaken with each opportunity with:

- Founders who are locals or have strong ties to the domestic market
- Strong competitive position of business (#1 or #2)
- High monetisation potential of business
- Early stage of development with solid proof of concept

UPCOMING SHARE PRICE CATALYSTS

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Frontier has a number of upcoming share price catalysts as it continues to focus on building the equity value of its portfolio

PORTFOLIO OPTIMISATION	– Continued roll-out of successful Zameen blueprint to other portfolio companies
MARKET VALUATIONS	– Near term funding rounds for Frontier's investments will provide observable market valuations and should increase the potential for a market re-rating
EXERCISE CALL OPTIONS	– Frontier may elect to exercise further valuable call options in line with its strategy to optimise its allocation of capital
RAPID BUSINESS GROWTH	– Consolidation or addition of new verticals to existing investments (e.g. add auto-classifieds to dominant property platform in Sri Lanka)
NEW ACQUISITIONS	– Focus on currently shortlisted opportunities – Focus on exploiting opportunities in high value countries

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CORPORATE SNAPSHOT

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Frontier is focused on developing online classifieds businesses in underdeveloped, emerging countries or regions

Key personnel

David Baxby
Chairman
- In 2008 David joined the Board of Virgin Atlantic, Virgin America and Air Asia X and remains a director of Virgin Australia
- Former Co-CEO of Virgin Group from 2011 (Richard Branson family office)
- In 2004 David was named CEO of Virgin Management Asia Pacific region

Shaun Di Gregorio
CEO & Founder
- Former General Manager at REA Group (ASX: REA) from 2001-2009
- CEO at iProperty Group (ASX: IPP) from 2010-2014 where he transformed iProperty Group into the largest listed internet company in ASEAN with a market cap of A$514m

Broker research coverage

Morgans
Ivor Ries (Melbourne)

BELL POTTER
Jonathon Higgins (Melbourne)

Top shareholders

Catcha Group (Patrick Grove and Luke Elliott)	40.8%
Shaun Di Gregorio (CEO & Founder)	17.1%
Fidelity Management	7.4%
Private Portfolio Managers	7.3%

Financial information

Share price (3-Feb-17)	A$0.45
Shares on issue	216.8m[1]
Market capitalisation	**A$97.6m**
Cash (31-Dec-16)	A$25.1m
Debt (31-Dec-16)	No debt
Enterprise value	**A$72.5m**

Source: IRESS
Notes:
1. Includes 100.3m escrowed shares held by Catcha Group, Board and management, operating company vendors and others. Escrowed shares expected to be released on 25 August 2018 (90.3m) and 25 August 2017 (10.0m). Excludes performance rights.

THE PERSON BEHIND FRONTIER DIGITAL VENTURES

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Online classifieds since 1999

2001– 2009

- General manager REA Group – Australia (ASX:REA)
- General manager REA Group – International

2010 – 2014

- CEO – iProperty Group (ASX:IPP)

  2010 to 2014 achieved 3000% shareholder return – amongst the highest of any listed online classifieds business in Australia

  Demonstrated track record of delivering shareholder value in early stage markets

2012 > 2016

- Non-Executive Director – iCar Asia (ASX:ICQ)

2014 >

- CEO and Founder of Frontier Digital Ventures

  Advisor and mentor to classifieds portals in markets across the globe, including:

  #1 property portal in Brazil – VivaReal.com
  #1 property portal in UAE and select MENA markets – propertyfinder.ae

100% committed to building FDV to be a leading operator of online classifieds businesses in select frontier markets across the globe. Based in Kuala Lumpur, Malaysia as a hub for reaching frontier markets on every continent.

www.linkedin.com/in/shaundigregorio

Shaun Di Gregorio
CEO & Founder of Frontier Digital Ventures

PORTFOLIO SUMMARY STATISTICS

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	Investment	Current ownership	Ownership if all options exercised	Accounting treatment	Countries of operation	Classifieds type
Monetising	e24	39%	42%	Consolidated	Panama, Costa Rica, Nicaragua, Honduras	General
	iMyanmarHouse	43%	43%	Consolidated	Myanmar	Property
	carsDB	76%	76%	Consolidated	Myanmar	Automotive
	LankaPropertyWeb	37%	48%	Consolidated	Sri Lanka	Property
	zameen	30%	30%	Equity	Pakistan	Property
	Pakwheels	37%	47%	Equity	Pakistan	Automotive
Pre-monetisation	ToLet	39%	39%	Consolidated	Nigeria	Property
	meQasa	66%	66%	Consolidated	Ghana	Property
	Kupatana	31%	31%	Equity	Tanzania, Uganda, Rwanda	General
	Moteur	49%	49%	Equity	Morocco	Automotive
Growing metrics	Afribaba	65%	65%	Consolidated	Cameroon, Ivory Coast, Senegal	General
	carwangu	60%	60%	Consolidated	DR Congo	Automotive
	IMCongo	66%	75%	Consolidated	DR Congo	Property
	Angocasa/Angolacarr	60%	71%	Consolidated	Angola	Property Automotive
	casamozambique	42%	42%	Equity	Mozambique	Property

ACTIVE OPTIMISATION PROCESS

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Frontier routinely tracks all the operating companies in which it invests through several reporting tools to ensure visibility on portfolio company business performance

Monitoring	Details	Frequency
Website	• Frontier team independently monitors key site metrics through Google Analytics, focusing on site visits, time on site and bounce rate • SEO and user engagement improvements are a constant focus	**Ongoing**
Dashboard	• Customers KPIs – # of advertisers (real estate agents, car dealerships, others) – # paying advertisers and other partners • Site metrics – Listings growth across key categories – Site traffic monitored across all platforms; website browser, mobile access and APP sessions – Lead generation to advertisers • Competitor metrics	**Monthly**
Financials	• Management accounts • P&L, balance sheets and cash flow	**Monthly**
Business plan and budget	• Business plan is discussed between Frontier and the local team • Budgets developed and agreed • Execution steps agreed encompassing new business models, product innovation, marketing plans and sales approach, all continuously refined to respond to market dynamics	**Every 6 months**

ONLINE CLASSIFIEDS v2.0

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The online classifieds business model is evolving, with operators in developing markets perfectly positioned to benefit from potential new revenue streams

Trends in developed markets

- Traditionally focused on advertising revenue
  - Deep online advertising pool due to high GDP and structural shift from offline already occurred
- However advertising revenue is diminishing and 'disruptive models' emerging with businesses such as Castle, Beepi and buymyplace capturing market share
- Increasingly, traditional players are diversifying away from advertising revenue with new streams

realestate.com.au Australia lives here

- Recently announced initiative to integrate end-to-end digital property buying experience through NAB home loans
- REA to profit via commissions from settled home loans

carsales.com.au

- Announced acquisition of an equity stake in PromisePay, a payment solutions provider, noting intention to introduce complimentary transaction settlement services

Emerging markets roll-out of v2.0 online classifieds business model

- Demand in frontier markets driven by
  - Low levels of trust between buyers and sellers
  - Lack of access to traditional payment instruments
  - Lack of financial infrastructure to support safe payments
  - Comparatively higher mobile penetration