

**ASX Code: FDV**

3 May 2018

**Zameen valuation increase**

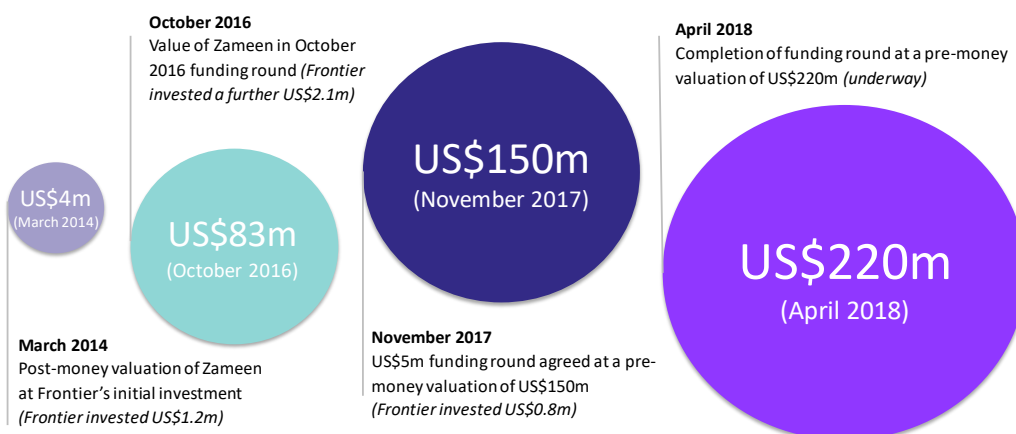
- Zameen has experienced stronger than expected revenue growth in 2018 YTD, bringing forward the expected timing of cash flow breakeven
- Second US\$2.5m instalment from the November 2017 funding round has been reduced to US\$1.5m and will now complete at a higher US\$220m pre-money equity valuation
- US\$220m valuation is based on similar revenue multiples to prior Zameen funding rounds and reflects a 55x increase to the US\$4m initial valuation in March 2014
- FDV's 30% shareholding in Zameen is now valued at ~A\$90m
- FDV's current market capitalisation implies a value of ~A\$50m for its 14 other market leading portfolio companies, despite them generating >50% of FDV's 1Q 2018 revenue

Frontier Digital Ventures Limited ("FDV") is pleased to provide an update on the trading performance of Zameen, the #1 property portal in Pakistan, and its funding round announced in November 2017. As described in FDV's ASX announcement dated 29 November 2017 ("*Valuation uplift further validates FDV strategy*") settlement for Zameen's US\$5m funding round was to complete in two equal parts in January 2018 (US\$2.5m – completed) and in mid-2018 (US\$2.5m – pending).

Pleasingly, Zameen has outperformed prior expectations with much stronger than expected revenue growth, recording an +111% increase in 1Q 2018 revenue on the prior corresponding period. The significant increase in revenue is due in part to a strengthening of the Zameen brand following a successful marketing campaign in 2H 2017.

As a result of its stronger than expected financial performance, Zameen has reduced the size of the pending mid-2018 tranche referred to above from US\$2.5m to US\$1.5m and will complete the round at a pre-money equity valuation of US\$220m, up +47% from US\$150m in November 2017. FDV will take up its 30% share of the US\$1.5m tranche. The increased US\$220m valuation is based on similar revenue multiples to prior Zameen funding rounds. The business also now has a shorter expected timeline to cash flow breakeven.

**Zameen equity value growth and FDV participation**



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Recent operational highlights for Zameen include:

- **+110%** increase in monthly revenues in March 2018 on pcp
- **+33%** monthly sessions in March 2018 on pcp
- **+50%** increase in total users in March 2018 on pcp
- **+79%** increase in mobile users in March 2018 on pcp

The growth in Zameen's equity value is a demonstration of the value being created by FDV's differentiated online classifieds strategy. A key component of this strategy is FDV's partnership with local entrepreneurs and the ongoing support provided to help capitalise on the significant online classifieds opportunity in frontier markets.

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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 15 leading companies, operating businesses across 15 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.

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