Frontier Digital Ventures Limited

ABN 25 609 183 959

Appendix 4D
Preliminary Financial Report

"Results for announcement to the Market."

Information for the half year ended 30 June 2017 given to ASX under listing rule 4.3A

Key Frontier Digital Ventures Limited information

Half year ended 30 June	2017 $000	2016 $000	Change
Revenues from ordinary operations	4,410	31	14,126%
Profit/(Loss) from ordinary activities after tax attributable to members	(5,974)	(3,742)	60%
Profit/(Loss) after tax attributable to members	(5,974)	(3,742)	60%
	Cents	Cents	
Profit/(Loss) per Share (basic)	(2.75)	(7.55)	(64%)
Profit/(Loss) per Share (diluted)	(2.74)	(7.55)	(64%)
NTA per Share	0.13	0.33	(61%)

Dividends

Frontier Digital Ventures Limited does not propose to pay a dividend for this reporting period (2016: nil).

Basis of this report

This report is based on the attached interim financial report of Frontier Digital Ventures Limited and controlled entities for the period ended 30 June 2017 which has been subject to review by the Company's external auditors and should be read in conjunction with Frontier's Annual Report for the year ended 31 December 2016. This report is lodged with the Australian Securities Exchange under listing rule 4.2A.

For and on behalf of the Board

David Baxby
Chairman
25 August 2017

FRONTIER DIGITAL VENTURES LIMITED
ABN 25 609 183 959

INTERIM FINANCIAL STATEMENTS
For the half year ended 30 June 2017

CONTENTS

DIRECTORS' REPORT

The Directors of Frontier Digital Ventures Limited ("the Company" or "Frontier") submit the financial report of the Company and its subsidiaries ("the Group") for the half year ended 30 June 2017. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

Information about the Directors and senior management

The names and particulars of the Directors of the Company during, or since the end of, the six month period ended 30 June 2017 are as follows:

David Baxby	Independent Director, non-executive Chairman
Shaun Antony Di Gregorio	Non-independent executive Director and Chief Executive Officer
Mark Licciardo	Independent, non-executive Director and Company Secretary
Belinda Cleminson	Joint Company Secretary

Principal activities

The principal activity of the Group during the half year was investing in and operating developing online classifieds businesses ("Operating Companies") in underdeveloped, emerging countries or regions ("Target Markets") which are markets at a very early stage of online development, but with anticipated strong growth prospects.

The Target Markets on which the Group focuses for future growth and strategic investments are clustered in five regions – South Asia, East Africa, West Africa, Central America and Middle East/North Africa (MENA).

Review of Operations

A summary of the Group's performance is below.

The Group reports revenues of $4,409,544 (2016: $31,092) and corresponding adjusted loss before interest, tax, depreciation and amortisation (Adjusted EBITDA loss) of $3,222,408 (2016: $859,837) for the half year period ended 30 June 2017, as detailed in note 3.

It should be noted that the revenues reported in the six-months ended 30 June 2017 include the consolidated revenues of seven entities in which the Group acquired accounting control on 26 August 2016 plus a further three entities which were acquired during the period ended 30 June 2017. By 30 June 2017 the Group had acquired accounting control over 13 operating entities.

	2017 $	2016 $
Revenue	4,409,544	31,092
Net loss for the period ended 30 June (including significant items below)	(7,528,738)	(3,895,568)
Significant items excluded from Adjusted EBITDA		
One off items:		
Impairment of goodwill	(438,372)	-
Gains from deemed disposal of Associate shareholding (step acquisitions)	175,484	-
Costs incurred in relation to initial public offering not capitalised	(58,495)	(587,615)
Other items:		
Equity settled share-based payments	(407,405)	-
Depreciation and amortisation	(794,702)	(5,303)
Share of net loss of associates	(1,273,419)	(2,285,570)
Unrealised currency exchange gains	(1,835,669)	(168,297)
Net interest	98,977	11,054
Income tax credit	227,271	-
Adjusted EBITDA loss (note 3)	(3,222,408)	(859,837)

Review of Operations (cont'd)

During the period, the Group successfully completed the acquisition of three subsidiaries (note 10).

- One of these subsidiaries was acquired via step acquisition and was previously accounted for as an associate. The resulting accounting treatment has generated a gain on deemed disposal of $175,484 which is reflected in the calculated Goodwill generated upon acquisition of $498,658 (note 10.2).
- Accounting control over these subsidiaries is achieved as a result of the Group's absolute and unfettered discretion over operational matters, significant to the Group's ability to direct the business activities of the investments.

Following the Group's assessment of the performance of subsidiaries, the carrying value of the Goodwill in relation to Carwangu has been impaired by $438,372 due to slower than expected revenue growth trajectory (note 7).

The Group continues to carry a significant exposure to movements in the currency exchange rates between the United States Dollar (USD) and the Australian Dollar (AUD). Most acquisitions are denominated in USD and the USD is the functional currency of the intermediate holding company of the Group as well as a few significant subsidiaries. The cash impact of movements in currency exchange rates is now largely mitigated by the Group holding 83% of its cash and Term Deposit balances in USD denominated accounts at the period end. However, since the Group reports its financial results in AUD, it continues to carry significant currency reporting risks. This is reflected in the current period reported unrealised currency exchange losses of $1,835,669 (year ended 31 December 2016 unrealised currency exchange gains of $1,389,895).

Under Accounting Standards for a Term Deposit to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value, this is normally when it has a short maturity of three months or less from the date of acquisition. Accordingly, the Term Deposit balances held by the Company are shown separately within the consolidated balance sheet and are excluded from Cash and Cash Equivalents in the consolidated statement of cash flows. In order to maximise returns on available funds, the net cash transferred into Term Deposits during the period ended 30 June 2017 was $5,907,403, increasing Term Deposits balances from $5,000,000 at 31 December 2016 to $10,907,403 at 30 June 2017.

Dividends

No dividends have been paid or declared since the start of the financial year and the Group does not propose to pay a dividend for this reporting period (2016: Nil).

Events subsequent to reporting date

There have not been any transactions or events of a material and unusual nature between the end of the reporting period and the date of the report likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or state of affairs of the consolidated entity in future years.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, PricewaterhouseCoopers, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify PricewaterhouseCoopers during or since the financial year.

Auditor's independence declaration

The statement by the Consolidated Entity's external auditors to the members of the Frontier Digital Ventures Limited in relation to the auditors' compliance with the independence requirements of the Corporations Act and the professional code of conduct for external auditors, forms part of this Directors' Report and is set out after this Directors' Report on page 3.

No person who was an Officer of the Company during the financial period was a Director or partner of the Group's external auditor at a time when the Group's external auditor conducted an audit of the Group.

On behalf of the Directors

Dated 25 August 2017

……………………………
David Baxby
Chairman

Auditor's Independence Declaration

As lead auditor for the review of Frontier Digital Ventures Limtied for the half-year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Frontier Digital Ventures Limtied and the entities it controlled during the period.

Jon Roberts
Partner
PricewaterhouseCoopers

Melbourne
25 August 2017

PricewaterhouseCoopers, ABN 52 780 433 757
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DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Frontier Digital Ventures Limited, the Directors declare that:

1. In the opinion of the Directors:

   (a) The financial statements and notes of Frontier Digital Ventures Limited for the half year ended 30 June 2017 are in accordance with the *Corporations Act 2001*, including:

      (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and its performance for the half-year ended on that date;

      (ii) Complying with accounting standards and the *Corporations Regulations 2001*

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors,

....
David Baxby
Chairman
25 August 2017

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 30 June 2017

	Note	Half year ended 30 Jun 2017 $	Half year ended 30 Jun 2016 $
Revenue	3	4,409,544	31,092
Administrative expenses		(1,033,169)	(279,495)
Employment expenses		(2,913,701)	(519,616)
Advertising and marketing expenses		(2,933,337)	(21,894)
Offline production costs		(537,695)	-
Premises and infrastructure expenses		(661,815)	(31,371)
Transaction advisory costs		(198,474)	(587,615)
Other expenses	4	(1,655,330)	(206,850)
Impairment of goodwill	7	(438,372)	-
Depreciation and amortisation		(794,702)	(5,303)
Operating loss		**(6,757,051)**	**(1,621,052)**
Interest income		98,977	11,083
Interest expense		-	(29)
Gains from deemed disposal of Associate shareholding		175,484	-
Share of net loss of associates accounted for using the equity method	8	(1,273,419)	(2,285,570)
Loss before income tax		**(7,756,009)**	**(3,895,568)**
Income tax credit		227,271	-
Net loss after tax		**(7,528,738)**	**(3,895,568)**
Other comprehensive income, net of tax			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(788,898)	(393,969)
Share of other comprehensive income of associates accounted for using the equity method	8	139,046	(335,910)
Other comprehensive income for the period, net of tax		(649,852)	(729,879)
Total comprehensive loss for the period		**(8,178,590)**	**(4,625,447)**
Loss attributable to:			
Owners of the Company		(5,973,917)	(3,741,572)
Non-controlling interests		(1,554,821)	(153,996)
		(7,528,738)	**(3,895,568)**
Total comprehensive loss attributable to:			
Owners of the Company		(6,571,404)	(4,471,451)
Non-controlling interests		(1,607,186)	(153,996)
		(8,178,590)	**(4,625,447)**
		Cents	**Cents**
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic loss per share		(2.75)	(7.55)
Diluted loss per share		(2.74)	(7.55)

Notes to the condensed consolidated financial statements are included on page 9 to 23.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	Note	30 Jun 2017 $	31 Dec 2016 $
ASSETS			
Current assets			
Cash and cash equivalents	5	9,184,365	20,116,380
Term deposits	5	10,907,403	5,000,000
Trade and other receivables		1,513,807	737,449
Other assets		30,213	33,018
Tax receivables		8,365	4,822
Total current assets		**21,644,153**	**25,891,669**
Non-current assets			
Property, plant and equipment		505,496	520,266
Other intangible assets	6	5,015,157	4,996,473
Goodwill	7	18,309,621	15,307,178
Investments accounted for using the equity method	8	9,139,716	11,081,656
Total non-current assets		**32,969,990**	**31,905,573**
Total assets		**54,614,143**	**57,797,242**
LIABILITIES			
Current liabilities			
Related party advances		22,173	3,731
Trade and other payables	6	2,251,065	1,473,603
Total current liabilities		**2,273,238**	**1,477,334**
Non-current liability			
Deferred tax liability		818,968	-
Borrowings		168,926	-
Total non-current liability		**987,894**	**-**
Total liabilities		**3,261,132**	**1,477,334**
NET ASSETS		**51,353,011**	**56,319,908**
EQUITY			
Share capital and share premium	9	59,890,790	57,717,472
Reserves		(315,366)	105,965
Accumulated losses		(12,272,085)	(6,298,168)
		47,303,339	51,525,269
Non-controlling interests		4,049,672	4,794,639
TOTAL EQUITY		**51,353,011**	**56,319,908**

Notes to the condensed consolidated financial statements are included on pages 9 to 23.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half year ended 30 June 2017

		<----------------------------------Attributable to owners of the Company-------------------------------->							
	Note	Share capital $	Share rights plan reserves $	Other equity $	Foreign currency translation reserves $	Accumulated losses $	Total $	Non-controlling interests $	Total equity $
Balance as at 1 January 2016		**22,244,769**	**-**	**-**	**(365,664)**	**(2,630,735)**	**19,248,370**	**-**	**19,248,370**
Loss for the period		-	-	-	-	(3,741,572)	(3,741,572)	(153,996)	(3,895,568)
Foreign currency translation differences		-	-	-	(729,879)	-	(729,879)	-	(729,879)
Total comprehensive loss for the period		-	-	-	(729,879)	(3,741,572)	(4,471,451)	(153,996)	(4,625,447)
2,100,000 shares issued during the period	9	2,100,000	-	-	-	-	2,100,000	-	2,100,000
Acquisition of subsidiaries		-	-	-	-	-	-	1,457,072	1,457,072
Balance as at 30 June 2016		**24,344,769**	**-**	**-**	**(1,095,543)**	**(6,372,307)**	**16,876,919**	**1,303,076**	**18,179,995**
Balance as at 1 January 2017		**57,717,472**	**641,313**	**195,891**	**(731,239)**	**(6,298,168)**	**51,525,269**	**4,794,639**	**56,319,908**
Loss for the period		-	-	-	-	(5,973,917)	(5,973,917)	(1,554,821)	(7,528,738)
Foreign currency translation differences		-	-	-	(597,487)	-	(597,487)	(52,365)	(649,852)
Total comprehensive loss for the period		-	-	-	(597,487)	(5,973,917)	(6,571,404)	(1,607,186)	(8,178,590)
Acquisition of subsidiaries		1,626,967	-	-	-	-	1,626,967	1,144,615	2,771,582
Increase in shareholding in subsidiaries		-	-	280,678	-	-	280,678	(282,396)	(1,718)
Transaction costs relating to shares issued		(36,999)	-	-	-	-	(36,999)	-	(36,999)
Recognition of share based expense		583,350	(47,230)	(57,292)	-	-	478,828	-	478,828
Balance as at 30 June 2017		**59,890,790**	**594,083**	**419,277**	**(1,328,726)**	**(12,272,085)**	**47,303,339**	**4,049,672**	**51,353,011**

Notes to the condensed consolidated financial statements are included on pages 9 to 23.
Included in Other Equity is $106,474 representing 212,948 shares to be issued to the vendors of LankaPropertyWeb (Private) Limited.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 30 June 2017

	Note	Half year ended 30 Jun 2017 $	Half year ended 30 Jun 2016 $
Cash used in operations	**12**	(3,682,470)	(1,085,503)
Interest paid		-	(29)
Interest received		101,834	11,083
Net cash outflow from operating activities		**(3,580,636)**	**(1,074,449)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(65,044)	(127,726)
Purchase of other intangible assets		(150,037)	(28,704)
Investment in associates		(192,939)	(4,477,369)
Net investment in term deposits		(5,907,403)	-
Payment for acquisition of subsidiaries		(2,581,200)	(1,152,007)
Cash acquired on acquisition of subsidiaries		2,347,581	1,158,872
Net cash outflow from investing activities		**(6,549,042)**	**(4,626,934)**
Cash flows from financing activity			
Payment of capitalised transaction costs related to issuance of shares		(35,460)	-
Advances from related parties		18,554	1,219,849
Net cash (outflow)/inflow from financing activities		**(16,906)**	**1,219,849**
Net decrease in cash and cash equivalents		**(10,146,584)**	**(4,481,534)**
Cash and cash equivalents as at 1 January		**20,116,380**	**5,412,656**
Effects of exchange rate changes on cash and cash equivalents		(785,431)	(144,276)
Cash and cash equivalents as at 30 June		**9,184,365**	**786,846**

Term Deposits of $10,907,403 (2016: Nil) are excluded from the Cash and cash equivalent balance as at 30 June 2017 of $9,184,365. During the six month period the net increase in cash transferred into Term Deposits with maturity terms of more than three months was $5,907,403 (note 5)

Notes to the condensed consolidated financial statements are included on pages 9 to 23.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

The financial statements for the half year ended 30 June 2017 were authorised for issue in accordance with a resolution on the 25 August 2017 have been reviewed, not audited.

The principal activity of the Company is to invest in developing online classified businesses in underdeveloped, emerging countries or regions. The principal activities of its subsidiaries and associated companies are online classified advertising and overseas headquarters.

2. Summary of significant accounting policies

Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with AASB134 Interim Financial Reporting and the *Corporations Act 2001*. These interim condensed financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of preparation

The half year financial report does not include all notes of the type that are normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance of the consolidated entity as the full financial report. It is recommended that the half year financial report be read in conjunction with the annual report for the year ended 31 December 2016 and considered together with any public announcements made by Frontier Digital Ventures Limited during the 6 months ended 30 June 2017, in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's 2016 annual financial report for the financial year ended 31 December 2016, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Adoption of new and amended standards

The group has applied the following standards and amendments for the first time for the reporting period commencing 1 January 2017:

- Amendments to AASB 112 Income tax

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods and have not been early adopted by the group. The Group is currently assessing the impact of the new standards and interpretations below.

i) AASB 9 Financial instruments

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

Must be applied for financial years commencing on or after 1 January 2018.

ii) AASB 15 Revenue from contracts with customers

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 18 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Mandatory for financial years commencing on or after 1 January 2018.

2. Summary of significant accounting policies

New standards and interpretations not yet adopted (cont'd)

iii) AASB 16 Leases

AASB 16 was issued in January 2016. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

Mandatory for financial years commencing on or after 1 January 2019.

3. Segment Information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of performance is focused on each individual business combinations, essentially by brand. Due to the widespread geography and variety of types of classifieds portals (property, automotive and general classifieds) there is little commonality between each business combination and hence each business combination reviewed separately.

The Company's reportable segments under AASB 8 are as follows:

- Afribaba (.cm, .sn, .ci)
- AutoDeal.com.ph
- CasaMozambique.co.mz
- CarsDB.com
- Carwangu.com
- Encuentra 24.com
- IMCongo.com
- iMyanmarhouse.com
- LankaPropertyWeb.com
- Meqasa.com
- Propzy.vn
- TechAfrica (Angolacarro.com and Angocasa.com)
- ToLet.com.ng
- Corporate (representing the cost of administrating the Company and the Group)

The performances of the operating segments are primarily assessed using a measure of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA, see below). However, the segments' revenue and assets are also assessed on a monthly basis.

Information regarding these segments is presented on the following page. The accounting policies of the reportable segments are the same as the Group's accounting policies.

3. Segment Information (cont'd)

Segment revenues and results

The following is an analysis of the Company's revenue and results by reportable operating segment for the periods under review:

	Revenue		Segment results	
	Half year ended			
	30 Jun 2017 $	30 Jun 2016 $	30 Jun 2017 $	30 Jun 2016 $
Afribaba	41,643	-	(145,416)	-
AutoDeal	73,074	-	(26,314)	-
CarsDB	71,058	-	(206,985)	-
Carwangu	672	-	(84,403)	-
CasaMozambique	83,607	-	(23,390)	-
Encuentra24	3,298,524	-	(559,353)	-
IMCongo	10,925	2,313	(67,136)	(157,334)
iMyanmarhouse	452,466	-	(37,421)	-
LankaPropertyWeb	128,976	-	(100,374)	-
Meqasa	45,934	-	(193,679)	-
Propzy	40,197	-	(115,271)	-
TechAfrica	-	-	(68,643)	(73,727)
ToLet	162,468	28,779	(174,359)	(32,735)
Corporate (and consolidation)	-	-	(1,419,664)	(596,041)
Segment Revenue and adjusted EBITDA	**4,409,544**	**31,092**	**(3,222,408)**	**(859,837)**
Equity settled employee share-based payments	-	-	(407,405)	-
Depreciation and amortisation	-	-	(794,702)	(5,303)
Share of net loss of Associates	-	-	(1,273,419)	(2,285,570)
Unrealised currency exchange differences	-	-	(1,835,669)	(168,297)
Impairment of goodwill	-	-	(438,372)	-
Gain on deemed disposal of Associates (step acquisition)	-	-	175,484	-
Transaction advisory costs relating to initial public offering	-	-	(58,495)	(587,615)
Net interest	-	-	98,977	11,054
Income tax credit	-	-	227,271	-
Consolidated segment revenue and net loss for the period	**4,409,544**	**31,092**	**(7,528,738)**	**(3,895,568)**

Adjusted EBITDA excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, legal expenses, and other isolated, non-recurring events. It also excludes the effects of equity-settled employee share-based payments and unrealised gains or losses on financial instruments and assets denominated in foreign currencies held at the end of the reporting period.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

All revenues are generated from external customers. No single customer contributes 10% or more to the Group's revenue for half year ended 2016 or 2017.

The Group acquired accounting control over AutoDeal, CasaMozambique and Propzy during the half year period ended 30 June 2017 as detailed in Note 10. Accounting control over the other operating segments were acquired during the year ended 31 December 2016.

3. Segment Information (cont'd)

Segment assets and liabilities

	Segment assets	
	30 Jun 2017 $	**31 Dec 2016 $**
Afribaba	1,370,726	1,544,780
AutoDeal	4,548,191	-
CarsDB	3,777,568	4,186,096
Carwangu	492,512	1,154,108
CasaMozambique	856,085	-
Encuentra24	10,675,782	10,578,418
IMCongo	292,895	336,754
iMyanmarhouse	2,647,221	2,902,657
LankaPropertyWeb	915,208	841,977
Meqasa	1,730,553	2,052,071
Propzy	1,778,402	-
TechAfrica	237,738	235,950
ToLet	1,605,860	1,899,921
Corporate (and consolidation)	23,685,402	32,064,510
Total segment assets	**54,614,143**	**57,797,242**
Consolidated total assets	**54,614,143**	**57,797,242**

The segment assets disclosed in the table above include goodwill and other intangible assets. Further details on the amount of goodwill and intangible assets attributable to each segment are set out in Notes 6 and 7.

	Segment liabilities	
	30 Jun 2017 $	**31 Dec 2016 $**
Afribaba	131,679	529
AutoDeal	530,639	-
CarsDB	110,708	58,226
Carwangu	3,255	6,857
CasaMozambique	192,609	-
Encuentra24	1,488,717	703,135
IMCongo	66,270	8,931
iMyanmarhouse	115,139	112,581
LankaPropertyWeb	36,869	18,887
Meqasa	32,128	15,358
Propzy	63,825	-
TechAfrica	18,406	11,603
ToLet	73,836	27,664
Corporate (and consolidation)	397,052	513,563
Total segment liabilities	**3,261,132**	**1,477,334**
Consolidated total liabilities	**3,261,132**	**1,477,334**

4. Other expenses

	30 Jun 2017 $	30 Jun 2016 $
Realised currency differences	(16,567)	(36,504)
Unrealised currency differences	(1,835,669)	(168,297)
Other income/(expenses)	196,906	(2,049)
	(1,655,330)	(206,850)

5. Cash and Term deposits

	30 Jun 2017 $	31 Dec 2016 $
Cash at bank and in hand	9,184,365	20,116,380
Term deposits	10,907,403	5,000,000

Term deposits above mature between July 2017 and January 2018 (2016: September 2017).

6. Significant balances

Trade and other payables

	30 Jun 2017 $	31 Dec 2016 $
Trade payables	425,917	288,686
Other payables	566,791	646,358
Borrowings	350,000	-
Accruals	659,060	374,445
Deferred revenue	249,297	164,114
	2,251,065	1,473,603

Non-interest bearing short term borrowings of $350,000 were acquired upon investment in AutoDeal Pte Ltd on 1 June 2017 and were repaid in July 2017, in accordance with the subscription agreement.

Non-current borrowings of $168,926 consist of a loan of USD128,285 which is non-interest bearing and is contingent upon the sale of Encuentra24. These borrowings were disclosed as other current liabilities in prior periods.

6. Significant balances (cont'd)

Intangibles summary

Intangible assets are allocated to the cash-generating units for which they relate, as follows:

	30 Jun 2017 $	31 Dec 2016 $
Afribaba	299,157	389,649
AutoDeal	620,399	-
CarsDB	197,663	246,779
Carwangu	22,254	28,986
CasaMozambique	246,230	-
Encuentra24	2,662,999	3,137,247
IMCongo	45,593	54,603
iMyanmarhouse	309,730	379,375
LankaPropertyWeb	226,978	288,203
Meqasa	131,203	170,891
Propzy	-	-
TechAfrica	25,899	16,405
ToLet	227,052	284,335
Total Intangible Assets	**5,015,157**	**4,996,473**

Intangible assets comprise of websites and domains $1,788,898 (2016: $2,210,983), brands $2,278,617 (2016: $2,629,677) and other intangibles $947,642 (2016: $155,813).

7. Goodwill

Goodwill are allocated to the cash-generating units for which they relate, as follows:

	30 Jun 2017 $	31 Dec 2016 $
Afribaba	1,062,297	1,075,885
AutoDeal	2,548,062	-
CarsDB	3,237,248	3,390,778
Carwangu	434,874	995,393
CasaMozambique	487,262	-
Encuentra24	5,499,270	5,487,189
IMCongo	204,470	216,385
iMyanmarhouse	1,102,083	1,138,740
LankaPropertyWeb	362,092	368,849
Meqasa	1,469,185	1,535,111
Propzy	846,740	-
TechAfrica	181,748	192,340
ToLet	874,290	906,508
Total Goodwill	**18,309,621**	**15,307,178**

7. Goodwill (cont'd)

	30 Jun 2017 $
At 1 January 2017	15,307,178
Additions	397,804
Acquisition of subsidiaries	3,982,921
Impairment charge	(438,372)
Exchange difference	(939,910)
At 30 June 2017	18,309,621

Goodwill impairment
The Group performs an impairment assessment on the carrying value of goodwill generated from the acquisition of subsidiaries on an annual basis. At the end of each interim reporting period, indicators of a significant change in valuation estimates for each cash generating unit (CGU), such as revenue growth, expected cashflows or discount rates, will trigger an impairment assessment.

The recoverable amounts of the cash-generating unit are determined based on a fair value less cost of disposal calculations, which is based on management's measured and reasonable expectation of selling price achievable in the open market at a revenue multiple appropriate for the markets the CGUs operate.

When the Group gained accounting control of Carwangu via step acquisition on 26 August 2016, a $630,157 gain was generated by the deemed disposal of the Group's previously held equity interest at fair value and included in the fair value of goodwill recognised on acquisition of the CGU. Due to a slower than expected revenue growth trajectory during the 6 months to 30 June 2017 an impairment assessment was triggered. The recoverable amount of the CGU was calculated using consistent assumptions applied in the annual impairment assessment at 31 December 2016 with revised revenue assumptions. As a result the goodwill of Carwangu has been impaired by $438,372 in the period ended 30 June 2017, reducing the carrying amount of goodwill to $434,874.

8. Investment in associate companies

	30 Jun 2017 $	31 Dec 2016 $
Equity investments at cost	15,170,904	16,546,862
Share of comprehensive losses	(6,031,188)	(5,465,206)
At period end	9,139,716	11,081,656

On 16 May 2017, the Group acquired accounting control of CasaMozambique through variations to share sale agreement. As such, under AASB 3 the results of CasaMozambique were consolidated from the date of acquisition of 16 May 2017 (Note 10.2).

8. Investment in associate companies (cont'd)

Details of the associated group companies (collectively referred to as Operating Companies) during the period are as follows. Each subsidiary of the associated groups shown below is a wholly owned subsidiary of the investment holding parent company.

Name of Operating Company	Principal activities	Country of business/ incorporation	Equity holding: As at the earlier of 30 Jun 2017 or Prior to Acquisition	Equity holding: As at 31 Dec 2016	Accounting method at 30 June 2017
African Property Portals Group ("CasaMozambique")	Investment holding	Mauritius	41.67%	41.67%	Consolidated
Casa Mozambique Limitida	Online classified advertising and event management	Mozambique	41.67%	41.67%	
Kupatana AB ("Kupatana")	Online classified advertising, event management, and investment holding	Sweden	31.11%	31.22%	Equity Accounted
Kupatana Ltd	Online classified advertising and event management	Tanzania	31.11%	31.22%	
Kupatana Ltd	Online classified advertising and event management	Uganda	31.11%	31.22%	
Buyandsell Tanzania AB	Online classified advertising and event management	Sweden	31.11%	31.22%	
Moteur.MA ("Moteur")	Online classified advertising and event management	Morocco	48.67%	48.67%	Equity Accounted
Pakwheels Pte Ltd ("Pakwheels")	Investment holding	Singapore	36.84%	36.84%	Equity Accounted
Pakwheels (Private) Ltd	Online classified advertising and event management	Pakistan	36.84%	36.84%	
Zameen Limited ("Zameen")	Investment holding	United Kingdom	30.00%	30.00%	Equity Accounted
Zameen Media Pvt Ltd	Online classified advertising and event management	Pakistan	30.00%	30.00%	

8. Investments in associate companies (cont'd)

A summary of the Group's investment in groups of associated companies (collectively referred to as "Operating Companies") is as follows:

Half Year ended 30 Jun 2017

	Cost of investment					Share of total comprehensive income					Carrying amount
Operating Company	1-Jan-17	Addition	Step Acquisition	Exchange difference	30-Jun-17	1-Jan-17	Addition	Step Acquisition	Exchange difference	30-Jun-17	30-Jun-17
	$	$	$	$	$	$	$	$	$	$	$
Zameen	6,688,963	-	-	(368,323)	6,320,640	(2,934,988)	(594,481)	-	167,380	(3,362,089)	2,958,551
Pakwheels	4,877,369	-	-	(268,569)	4,608,800	(1,455,636)	(234,837)	-	82,524	(1,607,949)	3,000,851
Kupatana	3,266,481	192,939	-	(179,220)	3,280,200	(779,399)	(159,521)	-	44,070	(894,850)	2,385,350
Other associates	1,714,049	-	(672,350)	(80,435)	961,264	(295,183)	(145,534)	262,047	12,370	(166,300)	794,964
	16,546,862	192,939	(672,350)	(896,547)	15,170,904	(5,465,206)	(1,134,373)	262,047	306,344	(6,031,188)	9,139,716

Year ended 31 December 2016

	Cost of investment					Share of total comprehensive income					Carrying amount
Operating Company	1-Jan-16	Addition	Step Acquisition	Exchange difference	31-Dec-16	1-Jan-16	Addition	Step Acquisition	Exchange difference	31-Dec-16	31-Dec-16
	$	$	$	$	$	$	$	$	$	$	$
Zameen	3,699,137	2,824,859	-	164,967	6,688,963	(746,591)	(2,188,397)	-	-	(2,934,988)	3,753,975
Pakwheels	4,110,152	672,585	-	94,632	4,877,369	(737,799)	(717,837)	-	-	(1,455,636)	3,421,733
Kupatana	3,211,436	-	-	55,045	3,266,481	(331,239)	(448,160)	-	-	(779,399)	2,487,082
Other associates	6,959,857	4,250,740	(9,195,855)	(300,693)	1,714,049	(852,290)	(1,016,378)	1,573,485	-	(295,183)	1,418,866
	17,980,582	7,748,184	(9,195,855)	13,951	16,546,862	(2,667,919)	(4,370,772)	1,573,485	-	(5,465,206)	11,081,656

8. Investments in associate companies (cont'd)

The following tables provide the summarised financial position of associates that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Company's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments (such as amortisation charges of intangible assets identified at investment) and modifications for differences in accounting policy.

The summarised financial position of the associated companies at the period end, are as follows:

30 Jun 17	Assets					Liabilities						
	Current assets			Non-current assets		Current liabilities			Non-current liabilities			
Operating Company	Cash and cash equivalents $	Other current assets $	Total current assets $	Non-current assets $	Intangible assets on investment $	Financial liabilities $	Other current liabilities $	Total current liabilities $	Financial liabilities $	Other non-current liabilities $	Total non-current liabilities $	Net assets $
Zameen	3,902,329	2,751,704	6,654,033	1,574,128	2,391,042	1,497,211	1,200,788	2,697,999	-	-	-	7,921,204
Pakwheels	150,274	891,646	1,041,920	301,814	355,815	1,156,025	-	1,156,025	-	-	-	543,524
Kupatana	304,021	120,615	424,636	94,589	188,663	54,495	-	54,495	-	-	-	653,393
Other associates	247,446	169,295	416,741	65,291	60,401	32,791	21,849	54,640	-	-	-	487,793
	4,604,070	3,933,260	8,537,330	2,035,822	2,995,921	2,740,522	1,222,637	3,963,159	-	-	-	9,605,914

31 Dec 16	Assets					Liabilities						
	Current assets			Non-current assets		Current liabilities			Non-current liabilities			
Operating Company	Cash and cash equivalents $	Other current assets $	Total current assets $	Non-current assets $	Intangible assets on investment $	Financial liabilities $	Other current liabilities $	Total current liabilities $	Financial liabilities $	Other non-current liabilities $	Total non-current liabilities $	Net assets $
Zameen	7,108,844	958,602	8,067,446	1,223,018	3,008,473	1,745,710	52,895	1,798,605	-	-	-	10,500,332
Pakwheels	157,383	849,359	1,006,742	346,311	391,974	571,902	-	571,902	-	-	-	1,173,125
Kupatana	230,367	79,682	310,049	121,332	-	54,011	57,663	111,674	-	-	-	319,707
Other associates	478,468	266,391	744,859	135,289	83,234	96,720	18,800	115,520	-	-	-	847,862
	7,975,062	2,154,034	10,129,096	1,825,950	3,483,681	2,468,343	129,358	2,597,701	-	-	-	12,841,026

8. Investments in associate companies (cont'd)

The summarised financial performance of associated companies for the half year is as follows:

	Half year 2017				Half year 2016			
Operating Company	Net loss	Other comprehensive income	Amortisation of intangible assets	Total comprehensive income	Net loss	Other comprehensive income	Amortisation of intangible assets	Total comprehensive income
	$	$	$	$	$	$	$	$
Zameen	(2,131,653)	566,297	(416,245)	(1,981,601)	(2,742,660)	(970,320)	(272,785)	(3,985,765)
Pakwheels	(489,388)	(66,884)	(81,180)	(637,452)	(1,213,517)	64,742	(63,309)	(1,212,084)
Kupatana	(501,066)	14,574	(25,584)	(512,076)	(756,833)	23,149	-	(733,684)
Other associates	(184,762)	(19,297)	(35,874)	(239,933)	(1,996,573)	(192,782)	(431,596)	(2,620,951)
	(3,306,869)	494,690	(558,883)	(3,371,062)	(6,709,583)	(1,075,211)	(767,690)	(8,552,484)

Associated companies reported using the equity accounting method at the period end generated revenues of $5,917,500 (2016: $5,835,915) of which $5,067,927 (2016: $2,183,479) was generated by Zameen.

Included in the revenues generated in the comparative six-month period ended June 2016 is $3,079,311 of revenues generated by associated companies in which the Group subsequently gained accounting control on 26 August 2016.

9. Share capital

	2017 Shares	2016 Shares	2017 $	2016 $
Fully paid ordinary shares				
At 1 January	216,067,976	48,000,000	57,717,472	22,244,769
Issued for cash	-	2,100,000	-	2,100,000
Issued for share swap	2,958,121	-	1,626,967	-
Other shares issued	1,158,922	-	583,350	-
	220,185,019	50,100,000	59,927,789	24,344,769
Less: Transaction costs	-	-	(36,999)	-
At 30 June	220,185,019	50,100,000	59,890,790	24,344,769

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

During the period, 2,958,121 ordinary shares with a value of $1,626,967 were issued as purchase consideration for the acquisition of business combinations as detailed in Note 10. In the same period 1,148,922 ordinary shares were issued to Directors and employees as share based payments with a value of $578,250 (2016: Nil). A further 10,000 ordinary shares with a value of $5,100 were issued during the period as payment for work performed during the IPO process.

10. Business Combinations

10.1 Controlled entities

During the period, the Group gained accounting control of the following groups of companies (collectively referred to as "Operating Companies") either via step acquisition, whereby the investments were previously reported in the results of the Group using the equity accounting method, or via new investments in the period. The Group has up to twelve months from the date of acquisition to complete its initial acquisition accounting. Any adjustment to the fair values based on circumstances existing at acquisition date, including associated tax adjustments, within this twelve month period will have an equal and opposite impact on the provisional intangible asset recorded on acquisition.

The Group is still finalising acquisition accounting adjustments, including tax adjustments especially the recognition of deferred tax assets and liabilities, relating to businesses acquired in August 2016.

The group recognises non-controlling interests in an acquired entity at the non-controlling interest's proportionate share of the fair value of acquired entity's net identifiable assets.

New acquisition of companies

During the period, the Group gained accounting control of the following group of companies (collectively referred to as "Operating Companies") via new investments in the period.

Name of business acquired	Principal activity	Date of Acquisition	Percentage of shares held %	Total cost of acquisition $	
				US$	AUD equivalent
AutoDeal	Operator of online car classifieds portals	1 Jun 2017	33.33%	2,313,701	3,126,967
Propzy	Operator of online property classifieds portal	1 Jun 2017	21.05%	800,000	1,081,200

10. Business Combinations (cont'd)

10.1.1 Acquisition of AutoDeal

On 1 June 2017, the Group acquired a 33.33% equity interest and control in Autodeal Asia Pte Ltd. AutoDeal operates an online car advertising classified portal in Philippines.

Total consideration paid consisted of cash consideration of $1,500,000 and 2,958,121 of ordinary shares issued by the Company with a value of $1,626,967. The total investment in subsidiary amounted to $3,126,967.

The excess of the purchase consideration over the fair value of net assets acquired has been classified as goodwill.

	2017 $
Purchase consideration	
Cash paid on completion (1 June 2017)	1,500,000
2,958,121 ordinary shares valued @ $0.55 per share	1,626,967
Total consideration	3,126,967
Allocation of purchase consideration	
Trade and other receivables	219,885
Cash and cash equivalents	1,227,581
Fixed Assets	28,295
Intangible Assets	625,038
Goodwill	2,615,209
Trade & other payables	(565,542)
Net assets	**4,150,466**
Non-controlling interest share of net assets	**(1,023,499)**
Share of net assets acquired	**3,126,967**

10.1.2 Acquisition of Propzy

On 1 June 2017, the Group acquired a 21.05% equity interest and control in Propzy SEA Pte Ltd. Propzy operates an online property advertising classified portal in Vietnam.

Total consideration due was in the form of cash consideration of US$800,000 (AUD equivalent of $1,081,200).

The excess of the purchase consideration over the fair value of net assets acquired has been classified as goodwill.

	2017 $
Purchase consideration	
Cash paid on completion (1 June 2017)	1,081,200
Total consideration	1,081,200
Allocation of purchase consideration	
Trade and other receivables	26,696
Cash and cash equivalents	1,126,398
Goodwill	869,054
Trade & other payables	(145,396)
Net assets	**1,876,752**
Non-controlling interest share of net assets	**(795,552)**
Share of net assets acquired	**1,081,200**

10. Business Combinations (cont'd)

10.2 Change of accounting control and step acquisitions

On 16 May 2017, variations to share sale agreements resulted in the Group assuming accounting control of African Property Portals Group (CasaMozambique). As such, the results of CasaMozambique have been consolidated from the date of acquisition of 16 May 2017.

Upon acquiring control of CasaMozambique, there was a deemed disposal by the Group of the previously held equity interest at fair value. As a result of the deemed disposal, $149,400 of gains were generated.

	2017 $
Fair value of previously held equity interest	**586,717**
Allocation of purchase consideration	
Trade and other receivables	149,361
Cash and cash equivalents	(6,398)
Fixed assets	8,369
Intangible assets	255,838
Goodwill	498,658
Trade & other payables	(195,846)
Net assets	**709,982**
Non-controlling interest share of net assets	**(123,265)**
Share of net assets acquired	**586,717**

11. Unexercised call options

As the period end, there were unexercised call options in the following subsidiary companies.

Operating companies	Option expiring	Consideration US$	Increase in shareholding %	Group equity holding % after exercise of option
TechAfrica	February 2018	276,000	11.22%	71.22%
IMCongo	February 2018	200,000	9.50%	75.41%

12. Notes to the statement of cash flows

	Half year ended	
	30 Jun 2017	30 Jun 2016
	$	$
Cash flows from operating activities		
Net loss before tax	(7,756,009)	(3,895,568)
Adjustments for:		
Amortisation of intangible assets	718,182	-
Depreciation	76,520	5,303
Impairment loss of goodwill	438,372	-
Net foreign exchange difference	1,835,669	168,297
Share of loss of associated companies	1,273,419	2,285,570
Interest income	(98,977)	(11,083)
Interest expense	-	29
Non-cash employee benefits expense – share based payments	478,564	-
Net gain on deemed disposal of equity interest	(175,484)	-
	(3,209,744)	(1,447,452)
Change in operating assets and liabilities, net of effects from purchase of controlled entities:		
Trade and other receivables	(387,062)	(315,907)
Trade and other payables	(85,664)	677,856
Cash used in operations	(3,682,470)	(1,085,503)
Interest paid	-	(29)
Interest received	101,834	11,083
Net cash used in operating activities	**(3,580,636)**	**(1,074,449)**

13. Contingencies

Various claims arise in the ordinary course of business against Frontier Digital Ventures Limited and its subsidiaries. The amount of the liability (if any) at 30 June 2017 cannot be ascertained and the Directors believe that any resulting liability would not materially affect the financial position of the Group.

14. Subsequent events

There have been no other transactions or events of a material and unusual nature between the end of the reporting period and the date of this report that will, in the opinion of the Directors of the Company, significantly affect the operations of the consolidated entity, the results of those operations, or state of affairs of the consolidated entity in future years.

Independent auditor's review report to the members of Frontier Digital Ventures Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Frontier Digital Ventures Limited (the company), which comprises the condensed consolidated statement of financial position as at 30 June 2017, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Frontier Digital Ventures Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Frontier Digital Ventures Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Frontier Digital Ventures Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half-year ended on that date;

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

Jon Roberts
Partner

Melbourne
25 August 2017

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Principal Place of Business	Company Secretary
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The Board	
David Baxby	Independent Director, non-executive Chairman
Shaun Antony Di Gregorio	Non-independent executive Director and Chief Executive Officer
Mark Licciardo	Independent, non-executive Director and Company Secretary

Chief Executive Officer	Chief Financial Officer
Shaun Antony Di Gregorio Email: shaundig@frontierdv.com	Shiao Mae Chan Email: shiao@frontierdv.com

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