

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 2018 given to ASX under listing rule 4.3A

Key Frontier Digital Ventures Limited information

Half year ended 30 June	2018 \$000	2017 \$000	Change
Revenues from ordinary operations	5,913	4,233	40% ↑
Profit/(Loss) from ordinary activities after tax attributable to members	(2,185)	(5,974)	(63%) ↑
Profit/(Loss) after tax attributable to members	(2,185)	(5,974)	(63%) ↑
	<u>Cents</u>	<u>Cents</u>	
Profit/(Loss) per Share (basic)	(0.98)	(2.75)	(64%) ↑
Profit/(Loss) per Share (diluted)	(0.98)	(2.75)	(64%) ↑
NTA per Share	0.13	0.13	0%

Dividends

Frontier Digital Ventures Limited does not propose to pay a dividend for this reporting period (2017: 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 2018 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 2017. This report is lodged with the Australian Securities Exchange under listing rule 4.2A.

For and on behalf of the Board



Anthony Klok
Chairman
27 August 2018



FRONTIER DIGITAL VENTURES LIMITED
ABN 25 609 183 959

INTERIM FINANCIAL STATEMENTS
For the half year ended 30 June 2018

CONTENTS

	Page
Directors' Report	1
Auditor's Independence Declaration	3
Directors' Declaration	4
Condensed Consolidated Statement of Comprehensive Income	5
Condensed Consolidated Statement of Financial Position	7
Condensed Consolidated Statement of Changes in Equity	8
Condensed Consolidated Statement of Cash Flows	9
Notes to the Condensed Consolidated Financial Statements	10
Independent Assurance Practitioner's Review Report to the Members of Frontier Digital Ventures Limited	27
Corporate Directory	29

DIRECTORS' REPORT

The Directors of Frontier Digital Ventures Limited ("the Company" or "Frontier") submit the annual financial report of the Company and its subsidiaries ("the Group") for the half year ended 30 June 2018. 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 financial year are as follows:

Anthony Klok	Independent Director, non-executive Chairman
Shaun 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 Asia (excluding China and India), Central and South America, and Africa/MENA.

Changes in State of Affairs

As a result of the accelerated entitlement offer, closed on 19 June 2018, the contributed equity of the Company increased by \$14,402,484 from the issue of 22,157,668 ordinary shares during the period.

Review of Operations

The nature of Frontier's investment portfolio results in reported consolidated revenues which differ from its economic interest in revenue, in compliance with accounting standards. The portfolio currently consists of nine investments accounted for on a consolidated basis and six investments reported as associates under the equity method in AASB 128 (2017: thirteen consolidated basis, four associates under equity method).

The Group reports revenues from continuing operations of \$5,913,291 (2017: \$4,232,501) and corresponding adjusted loss before interest, tax, depreciation and amortisation (Adjusted EBITDA loss) of \$2,886,890 (2017: \$2,786,793) for the half year period ended 30 June 2018, as detailed in note 3.

	30 Jun 2018 \$	30 Jun 2017 \$
Revenue from continuing operations	5,913,291	4,232,501
Net loss from continuing operations (including significant items below)	(4,438,319)	(7,023,506)
Significant items excluded from Adjusted EBITDA		
<u>One off items:</u>		
Impairment of loan to and investment in associate	(1,784,591)	-
Impairment of goodwill	-	(438,372)
Fair value of right to cancel call option	1,891,540	-
Gains from deemed disposal of Associate shareholding (step acquisitions)	-	175,484
Costs incurred in relation to initial public offering not capitalised	-	(58,495)
<u>Other items:</u>		
Equity settled share-based payments	(256,934)	(407,405)
Depreciation and amortisation	(1,435,930)	(699,549)
Share of net loss of associates		
- Share of net loss before foreign exchange loss	(1,074,222)	(1,598,195)
- Share of foreign exchange (loss)/gain	(866,796)	324,776
Unrealised currency exchange gain/(loss)	1,913,016	(1,835,919)
Net interest	70,884	93,424
Income tax (expense)/credit	(8,396)	207,538
Adjusted EBITDA loss (note 3)	(2,886,890)	(2,786,793)

Directors' Report (cont'd)

Review of Operations (cont'd)

Accounting control over subsidiaries in which the Group holds a minority interest 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. The deemed disposal of a previously consolidated operating entity, Propzy, occurred during the period due to a change in shareholder agreement resulting in the Group's loss of accounting control.

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 was previously largely mitigated by the Group holding 83% of its cash and Term Deposit balances in USD denominated accounts during the year ended 31 December 2017. Following the completion of the accelerated entitlement offer in June 2018, the Group will work towards a similar ratio of USD/AUD cash holdings by 31 December 2018.

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 gains of \$1,913,016 (period ended 30 June 2017 unrealised currency exchange losses of \$1,835,919).

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 (2017: Nil).

Events subsequent to reporting date

On 30 July 2018 the Group received cash consideration of US\$1,400,000 (AUD equivalent \$1,891,540) for cancelling its option to acquire a 1.32% interest in IZH Holdings Ltd, a private investment company which owns 70% of Zameen amongst other smaller online classifieds companies.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the period end, for any auditors of the Group.


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 year 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 27 August 2018



Anthony Klok
Chairman

27 August 2018

The Board of Directors
Frontier Digital Ventures Limited
Level 7, 330 Collins Street
MELBOURNE VIC 3000

Dear Board Members

Frontier Digital Ventures Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Frontier Digital Ventures Limited.

As lead audit partner for the review of the financial statements of Frontier Digital Ventures Limited for the half-year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Anneke Du Toit
Partner

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

The entity named herein is a legally separate and independent entity. In providing this document, the author only acts in the named capacity and does not act in any other capacity. Nothing in this document, nor any related attachments or communications or services, have any capacity to bind any other entity under the 'Deloitte' network of member firms (including those operating in Australia).

Liability limited by a scheme approved under Professional Standards Legislation.

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 2018:
 - (i) Giving a true and fair view of the financial position and performance of the Group
 - (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*
 - (b) 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,



.....
Anthony Klok
Chairman
27 August 2018

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the half year ended 30 June 2018

	Note	Half year ended	
		30 Jun 2018	30 Jun 2017*
		\$	\$
Continuing operations			
Revenue	3	5,913,291	4,232,501
Administrative expenses		(874,597)	(948,304)
Offline production costs		(636,406)	(515,953)
Employment expenses		(3,547,801)	(2,600,156)
Advertising and marketing expenses		(2,916,329)	(2,816,527)
Premises and infrastructure expenses		(1,028,377)	(587,094)
Transaction advisory costs		(26,869)	(198,474)
Other (expenses)/income		(26,736)	181,314
Unrealised foreign exchange gain/(loss)		1,913,016	(1,835,919)
Depreciation and amortisation		(1,436,930)	(699,549)
Operating loss from continuing operations		(2,666,738)	(5,788,161)
Interest income		77,434	93,424
Interest expense		(6,550)	-
Fair value of right to cancel call option	17	1,891,540	-
Gains from deemed disposal of Associate shareholding		-	175,484
Impairment of loan to and investment in associate	10	(1,784,591)	-
Impairment of goodwill		-	(438,372)
Share of net loss of associates			
- Share of net loss before foreign exchange loss		(1,074,222)	(1,598,195)
- Share of foreign exchange (loss)/gain		(866,796)	324,776
	10	(1,941,018)	(1,273,419)
Loss before income tax		(4,429,923)	(7,231,044)
Income tax (expense)/credit		(8,396)	207,538
Net loss from continuing operations		(4,438,319)	(7,023,506)
Net loss after tax from discontinued operation	13	(729,542)	(505,232)
Gains on disposal after income tax	13	704,986	-
Net loss after tax		(4,462,875)	(7,528,738)
Other comprehensive income, net of tax			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		223,417	(778,278)
Other comprehensive income arising from discontinued operation	13	(1,593)	(70,684)
Share of other comprehensive income of associates	10	792,382	199,110
Other comprehensive income/(loss) for the period, net of tax		1,014,206	(649,852)
Total comprehensive loss for the period		(3,448,669)	(8,178,590)
Loss attributable to:			
Owners of the Company		(2,185,431)	(5,973,917)
Non-controlling interests		(2,277,444)	(1,554,821)
		(4,462,875)	(7,528,738)
Total comprehensive loss attributable to:			
Owners of the Company		(1,248,377)	(6,571,404)
Non-controlling interests		(2,200,292)	(1,607,186)
		(3,448,669)	(8,178,590)

* 2017 comparative numbers have been restated for discontinued operations (Note 13.4).
Notes to the condensed consolidated financial statements are included on pages 10 to 26.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the half year ended 30 June 2018

	Half year ended	
	30 Jun 2018	30 Jun 2017*
	\$	\$
Total comprehensive income/(loss) attributable to owners of the Company arises from:		
Continuing operations	(1,738,075)	(6,259,668)
Discontinued operations	489,698	(311,736)
	<u>(1,248,377)</u>	<u>(6,571,404)</u>
	Cents	Cents
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the Company		
Basic loss per share	(1.20)	(2.64)
Diluted loss per share	(1.20)	(2.64)
Loss per share for loss attributable to the ordinary equity holders of the Company:		
Basic loss per share	(0.98)	(2.75)
Diluted loss per share	(0.98)	(2.75)

* 2017 comparative numbers have been restated for discontinued operations (Note 13.4).
Notes to the condensed consolidated financial statements are included on pages 10 to 26.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

	Note	30 Jun 2018 \$	31 Dec 2017 * \$
ASSETS			
Current assets			
Cash and cash equivalents	4	20,225,239	12,751,409
Term deposits	4	42,661	43,157
Trade and other receivables	5	2,133,357	2,105,939
Other assets		33,426	35,084
Other financial assets	6	2,577,541	386,580
Tax receivables		20,817	23,158
Total current assets		25,033,041	15,345,327
Non-current assets			
Property, plant and equipment		584,097	532,027
Other intangible assets	8	6,414,149	8,618,366
Goodwill	9	16,791,499	16,464,825
Investments in Associates	10	9,511,723	7,966,202
Total non-current assets		33,301,468	33,581,420
Total assets		58,334,509	48,926,747
LIABILITIES			
Current liabilities			
Related party advances		40,623	54,641
Trade and other payables	5	1,730,178	1,794,829
Borrowings	5	134,300	149,618
Billings in advance		502,300	335,979
Finance lease liabilities		3,741	5,962
Contingent consideration	5	456,381	562,237
Provisions		-	216,656
Total current liabilities		2,867,523	3,119,922
Non-current liabilities			
Deferred tax liability		39,546	126,502
Borrowings	5	174,083	165,308
Total non-current liabilities		213,629	291,810
Total liabilities		3,081,152	3,411,732
NET ASSETS		55,253,357	45,515,015
EQUITY			
Share capital	11	74,008,975	60,118,042
Reserves		1,405,320	657,368
Accumulated losses		(21,459,826)	(19,274,395)
		53,954,469	41,501,015
Non-controlling interests		1,298,888	4,014,000
TOTAL EQUITY		55,253,357	45,515,015

* 2017 comparative numbers have been restated (Note 7).

Notes to the condensed consolidated financial statements are included on pages 10 to 26.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half year ended 30 June 2018

Note	←-----Attributable to owners of the Company----->							Total equity
	Share capital	Share rights plan reserves	Other equity	Foreign currency translation reserves	Accumulated losses	Total	Non-controlling interests	
	\$	\$	\$	\$	\$	\$	\$	
Balance as at 1 January 2017 (restated)	57,717,472	641,313	195,891	(731,239)	(5,379,894)	52,443,543	4,794,639	57,238,182
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	11	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	11	(36,999)	-	-	-	(36,999)	-	(36,999)
Share based payments		583,350	(47,230)	(57,292)	-	478,828	-	478,828
Balance as at 30 June 2017 (restated)		59,890,790	594,083	419,277	(1,328,726)	(11,353,811)	48,221,613	52,271,285
Balance as at 1 January 2018		60,118,042	740,431	780,705	(863,768)	(19,274,395)	4,014,000	45,515,015
Loss for the period		-	-	-	-	(2,185,431)	(2,277,444)	(4,462,875)
Foreign currency translation differences		-	-	-	937,054	-	77,152	1,014,206
Total comprehensive loss for the period		-	-	-	937,054	(2,185,431)	(2,200,292)	(3,448,669)
Shares issued during the period	11	14,402,484	-	-	-	14,402,484	-	14,402,484
Disposal of subsidiaries		-	-	-	-	-	(435,071)	(435,071)
Increase in shareholding in subsidiaries		-	-	79,749	-	79,749	(79,749)	-
Transaction costs relating to shares issued	11	(1,056,616)	-	-	-	(1,056,616)	-	(1,056,616)
Share based payments		545,065	(220,328)	(48,523)	-	276,214	-	276,214
Balance as at 30 June 2018		74,008,975	520,103	811,931	73,286	(21,459,826)	1,298,888	55,253,357

* 2017 comparative numbers have been restated (Note 7).

Notes to the condensed consolidated financial statements are included on pages 10 to 26.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 30 June 2018

	Note	Half year ended	
		30 Jun 2018	30 Jun 2017
		\$	\$
Cash used in operations		(3,621,455)	(3,682,470)
Interest paid		(6,551)	-
Interest received		71,419	101,834
Net cash outflow from operating activities	15	(3,556,587)	(3,580,636)
Cash flows from investing activities			
Purchase of property, plant and equipment		(125,411)	(65,044)
Purchase of other intangible assets		(331,934)	(150,037)
Investments in associates	10	(1,960,185)	(192,939)
Net investment in term deposits		-	(5,907,403)
Payment for acquisition of subsidiaries		(131,170)	(2,581,200)
Cash acquired on acquisition of subsidiaries		-	2,347,581
Proceeds from disposal of subsidiaries	13	(139,538)	-
Cash flows from loans to other entities		(455,297)	-
Net cash outflow from investing activities		(3,143,535)	(6,549,042)
Cash flows from financing activities			
Proceeds from issuance of shares	11	14,402,484	-
Payment of capitalised transaction costs related to issuance of shares		(1,001,820)	(35,460)
Repayment of loans from related parties		-	18,554
Repayment of other borrowings		(12,415)	-
Transactions with other non-controlling entities		453,830	-
Net cash inflow/(outflow) from financing activities		13,842,079	(16,906)
Net increase/(decrease) in cash and cash equivalents		7,141,957	(10,146,584)
Cash and cash equivalents as at 1 January		12,751,409	20,116,380
Effects of exchange rate changes on cash and cash equivalents		331,873	(785,431)
Cash and cash equivalents as at 30 June	4	20,225,239	9,184,365

Term Deposits of \$42,661 (June 2017: \$10,907,403) are excluded from the Cash and cash equivalent balance as at 30 June 2018.

Notes to the condensed consolidated financial statements are included on pages 10 to 26.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

The financial statements for the half year ended 30 June 2018 were authorised for issue in accordance with a resolution on the 27 August 2018 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 2017 and considered together with any public announcements made by Frontier Digital Ventures Limited during the 6 months ended 30 June 2018, 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 2017 annual financial report for the financial year ended 31 December 2017, 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 2018:

- AASB 9 Financial instruments, and
- AASB 15 Revenue from contracts with customers

The adoption of these amendments did not have any material impact on the current period or any prior period and is not likely to affect future periods based on current arrangements in place. Relevant changes to disclosure will be reflected in the full year financial report.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 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 16 Leases

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, 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.

The accounting for lessors will not significantly change.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The group does not intend to adopt the standard before its effective date and are currently in the process of determining the likely impact of adopting the Standard.

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.

3. Segment information (cont'd)

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 combination, 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:

- Autodeal.com.ph
- CarsDB.com
- Encuentra 24.com
- Hoppler.com.ph
- iMyanmarhouse.com
- LankaPropertyWeb.com
- Meqasa.com
- 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). The segments' revenue and assets are also assessed on a monthly basis. Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies. The performance of associate companies is laid out in note 10.

Segment revenues and results

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

	Revenue		Segment results	
	Half year ended			
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$	\$	\$	\$
Continuing Operations				
Autodeal	478,433	73,074	(220,631)	(26,314)
CarsDB	222,248	71,058	(159,587)	(206,985)
Encuentra24	3,650,500	3,298,524	(311,852)	(559,353)
Hoppler	333,038	-	(255,936)	-
iMyanmarhouse	642,020	452,466	(144,293)	(37,421)
LankaPropertyWeb	259,255	128,976	(11,790)	(100,374)
Meqasa	99,652	45,934	(168,540)	(193,679)
TechAfrica	52,600	-	(97,466)	(68,643)
ToLet	169,310	162,469	(214,887)	(174,359)
Corporate (and consolidation)	6,235	-	(1,301,908)	(1,419,665)
Segment Revenue and adjusted EBITDA from continuing operations	5,913,291	4,232,501	(2,886,890)	(2,786,793)
Equity settled share-based payments	-	-	(256,934)	(407,405)
Transaction advisory costs relating to initial public offering	-	-	-	(58,495)
Unrealised currency exchange gain/(loss)	-	-	1,913,016	(1,835,919)
Depreciation and amortisation	-	-	(1,435,930)	(699,549)
Fair value of right to cancel call option	-	-	1,891,540	-
Gain from deemed disposal of Associate	-	-	-	175,484
Impairment of loan to and investment in associate	-	-	(1,784,591)	-
Impairment of goodwill	-	-	-	(438,372)
Share of net loss of associates	-	-	(1,941,018)	(1,273,419)
Net interest	-	-	70,884	93,424
Income tax expense	-	-	(8,396)	207,538
Consolidated segment revenue and net loss for the period from continuing operations	5,913,291	4,232,501	(4,438,319)	(7,023,506)
Revenue and net loss from discontinued operations (note 13)	105,116	177,043	(729,542)	(505,232)
Gains on disposal after income tax (note 13)	-	-	704,986	-
Consolidated segment revenue and net loss for the period	6,018,407	4,409,544	(4,462,875)	(7,528,738)

3. Segment information (cont'd)

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 share-based payments and unrealised gains or losses on financial instruments.

Interest income and finance costs 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 2017 or 2018.

Segment assets and liabilities

	Segment assets	
	30 Jun 2018	31 Dec 2017
	\$	\$
Autodeal	4,684,461	4,462,686
CarsDB	3,566,327	3,461,402
Carwangu	-	655
CasaMozambique	-	67,583
Encuentra24	9,563,501	9,889,163
Hoppler	1,634,064	1,747,904
iMyanmarhouse	3,263,290	3,287,221
LankaPropertyWeb	770,216	787,046
Meqasa	2,665,688	2,643,368
Propzy	-	2,576,850
TechAfrica	1,009,607	1,016,159
ToLet	1,524,697	1,569,898
Corporate (and consolidation)	29,652,658	17,416,812
Total segment assets	58,334,509	48,926,747
Consolidated total assets	58,334,509	48,926,747

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 8 and 9.

	Segment liabilities	
	30 Jun 2018	31 Dec 2017
	\$	\$
Autodeal	252,357	205,054
CarsDB	230,717	85,143
CasaMozambique	-	299,162
Encuentra24	889,148	865,448
Hoppler	526,773	349,639
iMyanmarhouse	158,872	109,567
LankaPropertyWeb	46,183	33,974
Meqasa	295,277	14,155
Propzy	-	226,275
TechAfrica	843,956	583,307
ToLet	435,857	217,094
Corporate (and consolidation)	(597,988)	422,914
Total segment liabilities	3,081,152	3,411,732
Consolidated total liabilities	3,081,152	3,411,732

4. Cash and cash equivalents and term deposits

	30 Jun 2018	31 Dec 2017
	\$	\$
Cash at bank and in hand	20,225,239	12,751,409
Term deposits	42,661	43,157

Term deposits above mature in September 2018 (2017: March 2018).

5. Significant balances

	30 Jun 2018	31 Dec 2017
	\$	\$
Trade receivables	1,274,736	745,488
Other receivables	433,256	793,139
Prepayments	53,101	460,203
Deposits	372,264	107,109
Trade and other receivables	2,133,357	2,105,939
Trade payables	495,273	505,114
Other payables	549,775	622,438
Accruals	685,130	667,277
Trade and other payables (current liabilities)	1,730,178	1,794,829
Contingent consideration at fair value	456,381	562,237
Borrowings – current	134,300	149,618
Borrowings – non current	174,083	165,308
Borrowings	308,383	314,926

Contingent consideration consists of US\$250,000 (AUD equivalent \$339,250) paid to Jumia on 2 August 2018 upon fulfilment of certain targets and conditions following the acquisition of Jumia House assets in Nigeria, Ghana and Angola on 2 November 2017; and US\$86,316 (AUD equivalent \$117,131) due to be paid to the vendor of Afribaba upon the complete liquidation of the legal entities in the Afribaba Group.

As at 31 December 2017, the comparative contingent consideration consisted of amounts due to Jumia of US\$250,000 (AUD equivalent \$322,150) and due to the vendor of Afribaba of US\$186,316 (AUD equivalent \$240,087).

Included in current liabilities is borrowings of PHP5,300,000 (AUD equivalent of \$134,300) bearing interest at 8% per annum. The borrowings were acquired upon investment in Hoppler Pte Ltd on 5 October 2017 and will be fully repaid by 1 November 2018. The comparative balance as at 31 December 2017 was PHP5,800,000 (AUD equivalent of \$149,618).

Non-current borrowings of \$174,083 (2017: \$165,308) consist of a loan of US\$128,285 (2017:US\$128,285) which is non-interest bearing and is contingent upon the sale of Encuentra24.

6. Financial instruments

The following represents the financial instruments in the statement of financial position by the classes of financial instruments to which they are assigned:

	30 Jun 2018	31 Dec 2017
	\$	\$
Financial assets		
Cash and cash equivalents	20,225,239	12,751,409
Term deposits	42,661	43,157
Trade and other receivables	2,080,256	1,645,736
Other financial assets	2,577,541	386,580
	24,925,697	14,826,882
Financial liabilities		
Related party payables	40,623	54,641
Trade and other payables	1,730,178	1,794,829
Finance lease liabilities	3,741	5,962
Contingent consideration	456,381	562,237
Borrowings	308,383	314,926
	2,539,306	2,732,595

Included in Other financial assets are the fair value of the following:

Option to acquire 1.32% interest in IZH Holdings Ltd which was cancelled in exchange for cash consideration of USD\$1,400,00 (AUD equivalent \$1,891,540) on 30 July 2018.

Convertible loan notes issued by Pakwheels Pte Ltd ("Pakwheels"), an associate company of US\$505,528 (AUD equivalent \$686,001). The comparative balance as at 31 December 2017 was US\$300,000 (AUD equivalent \$386,580). This loan is accounted for at fair value through profit and loss.

Interest at 10% per annum on a monthly rest basis will accrue six months from the date of issue of the convertible loan notes. The whole of the outstanding loan balance will be automatically converted into ordinary shares in Pakwheels should equity financing from the sale of new equity exceed a minimum amount stipulated in the agreement. If that minimum amount is not achieved by Pakwheels through equity financing, the majority of noteholders have the option to convert any part of their outstanding loan balances into equity at a prevailing fair value at the time of conversion.

The convertible loan notes mature on 3 October 2022.

7. Comparative adjustment of condensed consolidated statement of financial position

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current period.

During the financial year it was identified that a formula error existed when calculating the goodwill associated with the step acquisition of iMyanmarhouse that occurred on 26 August 2016. Accordingly, it was determined that a restatement was required in the 30 June 2018 Half Year financial statements of the consolidated entity. In the current year the goodwill and opening retained earnings have been restated by \$918,274. There is no impact to the Condensed Consolidated Statement of Comprehensive Income or Condensed Consolidated Statement of Cash Flows.

7. Comparative adjustment of condensed consolidated statement of financial position (cont'd)

The impact on the comparative period disclosures of this restatement are as follows:

	Originally Reported 31 Dec 2017 \$	Restatement Adjustment \$	Restated 31 Dec 2017 \$
ASSETS			
Total current assets	15,345,327	-	15,345,327
Non-current assets			
Property, plant and equipment	532,027	-	532,027
Other intangible assets	8,618,366	-	8,618,366
Goodwill	15,546,551	918,274	16,464,825
Investments in Associates	7,966,202	-	7,966,202
Total non-current assets	32,663,146	918,274	33,581,420
Total assets	48,008,473	918,274	48,926,747
LIABILITIES			
Total current liabilities	3,119,922	-	3,119,922
Total non-current liabilities	291,810	-	291,810
Total liabilities	3,411,732	-	3,411,732
NET ASSETS	44,596,741	918,274	45,515,015
EQUITY			
Share capital	60,118,042	-	60,118,042
Reserves	657,368	-	657,368
Accumulated losses	(20,192,669)	918,274	(19,274,395)
	40,582,741	918,274	41,501,015
Non-controlling interests	4,014,000	-	4,014,000
TOTAL EQUITY	44,596,741	918,274	45,515,015

	Originally reported 1 Jan 2017 \$	Adjustment \$	Restated 1 Jan 2017 \$
Accumulated losses	(20,192,669)	918,274	(19,274,395)

8. Intangible assets

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

	30 Jun 2018 \$	31 Dec 2017 \$
Autodeal	1,512,477	1,527,074
CarsDB	130,416	158,665
Encuentra24	2,038,491	2,268,446
Hoppler	535,693	601,598
iMyanmarhouse	225,062	262,906
LankaPropertyWeb	139,994	177,387
Meqasa	879,537	1,041,892
Propzy	-	1,457,084
TechAfrica	691,941	812,925
ToLet	260,538	310,389
Total Intangible Assets	6,414,149	8,618,366

9. Goodwill

	Note	30 Jun 2018 \$	31 Dec 2017 \$
Opening balance (restated)	7	16,464,825	16,225,452
Additions from business combinations acquired during the period	12	-	4,100,766
Adjustments relating to business combinations acquired in the prior period	12	(5,299)	46,779
Disposals	13	(499,353)	(1,250,096)
Impairment		-	(1,393,922)
Exchange difference		831,326	(1,264,154)
Balance at period end		16,791,499	16,464,825

Goodwill relates to cash generating units as follows:

	30 Jun 2018 \$	31 Dec 2017 \$
Autodeal	2,323,654	2,206,530
CarsDB	3,301,882	3,135,450
Encuentra24	5,396,971	5,124,935
Hoppler	765,626	732,370
iMyanmarhouse	2,058,784	1,971,266
LankaPropertyWeb	367,864	349,322
Meqasa	1,494,866	1,419,517
Propzy	-	498,114
TechAfrica	187,297	177,856
ToLet	894,555	849,465
Total Goodwill	16,791,499	16,464,825

The recoverable amounts of each cash generating unit (CGU) is determined based on fair value less cost of disposal calculations, derived from management's measured and reasonable expectation of selling price achievable in the open market at a revenue multiple appropriate for the market the CGU operates. Management annually reviews the carrying amounts of CGUs, which include carrying amounts of goodwill and intangible assets, to determine whether there are indications that CGUs are impaired.

10. Investments in associates

	30 Jun 2018 \$	31 Dec 2017 \$
Equity investments at cost	18,674,013	15,532,835
Accumulated share of losses	(9,162,290)	(7,566,633)
Balance at period end	9,511,723	7,966,202

On 10 April 2018, the Group entered into a new shareholder agreement affecting its unfettered rights to direct the business activities of Propzy following an investment of US\$2,000,000 by an external strategic investor. The Group continues to retain significant influence with an equity holding of 20.41%, a decrease of 8.16% from 28.57% (note 13.3).

Impairment review

The carrying values of investments in associates are tested for impairment annually and when circumstances indicate the value may be impaired. A combination of factors arising during the period ended 30 June 2018 triggered a requirement to review the carrying value of Kupatana, namely the economic outlook of Tanzania, the country the business predominantly operates in, and the financial performance of Kupatana against expectations.

As a general classifieds site, Kupatana's business activities are closely linked to the performance of the wider economy, in particular that of the property and auto industries. Lacklustre private sector credit extension has directly impacted the volume of listings and revenues generated by Kupatana, resulting in current period revenues stagnating in comparison to the prior comparative six-month period ending 30 June. The Group has revised its revenue forecasts for the year ending 31 December 2018 accordingly, with an expectation of like for like growth of only 21% year on year.

10. Investments in associates (cont'd)

Discounted cashflow calculations were carried out on a range of scenarios, on a fair value less cost of disposal basis. Impairment was indicated in the base case scenario which included growth rates ranging from 22.9% to 33.0% in revenue and -4.4% to 12% in expenses, with a discount rate of 24.2%. Accordingly, the carrying value of the investment in Kupatana of \$1,625,635 and the short term loan to Kupatana of \$158,956 were fully impaired and recorded as impairment of loans to and investment in associate in the statement of comprehensive income.

Details of the associated companies during the half year are as follows.

Name of Operating Company	Principal activities	Country of business/ incorporation	Equity holding		Accounting method at 30 Jun 2018
			As at 30 Jun 2018	As at 31 Dec 2017	
Infocasas	Investment holding	British Virgin Island	31.33%	31.33%	Equity Accounted
Infocasas SA	Operator of online property classifieds portal	Uruguay	31.33%	31.33%	
Relaxed SA	Operator of online property classifieds portal	Paraguay	31.33%	31.33%	
Publicidad e Inmobiliaria IC Bolivia	Operator of online property classifieds portal (infocasas.com.uy)	Bolivia	31.33%	31.33%	
Kupatana AB ("Kupatana")	Online classified advertising, event management, and investment holding	Sweden	29.28 %	29.28 %	Equity Accounted
Kupatana Ltd	Online classified advertising and event management	Tanzania	29.28 %	29.28 %	
Kupatana Ltd	Online classified advertising and event management	Uganda	29.28 %	29.28 %	
Buyandsell Tanzania AB	Online classified advertising and event management	Sweden	29.28 %	29.28 %	
Moteur.MA ("Moteur")	Online classified advertising and event management (Moteur.ma)	Morocco	56.31%	48.67%	Equity Accounted
Propzy	Investment holding	Singapore	20.41%	28.57%	Equity Accounted
Propzy Vietnam Co., Ltd	Operator of online property classifieds portal	Vietnam	20.41%	28.57%	
Propzy Services Co., Ltd.	Operator of online property classifieds portal	Vietnam	20.41%	28.57%	
Pakwheels	Investment holding	Singapore	36.84%	36.84%	Equity Accounted
Pakwheels (Private) Ltd	Online classified advertising and event management (PakWheels.com)	Pakistan	36.84%	36.84%	
Zameen	Investment holding	United Kingdom	30.00%	30.00%	Equity Accounted
Zameen Media Pvt Ltd	Online classified advertising and event management (Zameen.com)	Pakistan	30.00%	30.00%	

10. Investments in associates (cont'd)

i) A summary of the Group's investment in associated companies is as follows:

Half Year ended 30 June 2018												
Operating company	Cost of investment						Share of total comprehensive income					Carrying amount 30-Jun-2018
	1-Jan-18	Addition	Step Acquisition	Impairment	Exchange difference	30-Jun-2018	1-Jan-18	Addition	Step Acquisition	Exchange difference	30-Jun-2018	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	6,185,280	1,554,015	-	-	402,705	8,142,000	(4,545,838)	(598,202)	-	(264,447)	(5,408,487)	2,733,513
Pakwheels	4,510,100	-	-	-	239,400	4,749,500	(1,760,324)	(238,195)	-	(104,667)	(2,103,186)	2,646,314
Propzy	-	1,845,430	-	-	93,143	1,938,573	-	(137,145)	-	(3,531)	(140,676)	1,797,897
Kupatana	2,668,741	-	-	(1,625,635)	109,903	1,153,009	(1,013,918)	(81,408)	-	(57,683)	(1,153,009)	-
Infocasas	1,228,036	-	-	-	65,185	1,293,221	(51,173)	(37,957)	-	(3,959)	(93,089)	1,200,132
Moteur	940,678	406,170	-	-	50,862	1,397,710	(195,380)	(55,729)	-	(12,734)	(263,843)	1,133,867
	<u>15,532,835</u>	<u>3,805,615</u>	<u>-</u>	<u>(1,625,635)</u>	<u>961,198</u>	<u>18,674,013</u>	<u>(7,566,633)</u>	<u>(1,148,636)</u>	<u>-</u>	<u>(447,021)</u>	<u>(9,162,290)</u>	<u>9,511,723</u>

Year ended 31 December 2017												
Operating company	Cost of investment						Share of total comprehensive income					Carrying amount 31-Dec-17
	1-Jan-17	Addition	Step Acquisition	Impairment	Exchange difference	31-Dec-17	1-Jan-17	Addition	Step Acquisition	Exchange difference	31-Dec-17	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	6,688,963	-	-	-	(503,683)	6,185,280	(2,934,988)	(1,856,770)	-	245,920	(4,545,838)	1,639,442
Pakwheels	4,877,369	-	-	-	(367,269)	4,510,100	(1,455,636)	(420,748)	-	116,060	(1,760,324)	2,749,776
Kupatana	3,266,481	192,939	-	(550,872)	(239,807)	2,668,741	(779,399)	(296,783)	-	62,264	(1,013,918)	1,654,823
Infocasas	-	1,194,014	-	-	34,022	1,228,036	-	(52,329)	-	1,156	(51,173)	1,176,863
Other associates	1,714,049	-	(672,350)	-	(101,021)	940,678	(295,183)	(177,757)	262,047	15,513	(195,380)	745,298
	<u>16,546,862</u>	<u>1,386,953</u>	<u>(672,350)</u>	<u>(550,872)</u>	<u>(1,177,758)</u>	<u>15,532,835</u>	<u>(5,465,206)</u>	<u>(2,804,387)</u>	<u>262,047</u>	<u>440,913</u>	<u>(7,566,633)</u>	<u>7,966,202</u>

10. Investments in associates (cont'd)

ii) The movement of share of total comprehensive income is as follows:

Half Year ended 30 June 2018											
Operating Company	Share of associates profit or loss					Share of other comprehensive income					Share of total comprehensive income
	1-Jan-18	Addition	Foreign exchange (loss)/gain	Step Acquisition	30-Jun-18	1-Jan-18	Addition	Step Acquisition	Exchange difference	30-Jun-18	30-Jun-18
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	(4,568,270)	(548,123)	(641,642)	-	(5,758,035)	22,432	591,563	-	(264,447)	349,548	(5,408,487)
Pakwheels	(1,885,812)	(223,890)	(196,785)	-	(2,306,487)	125,488	182,480	-	(104,667)	203,301	(2,103,186)
Propzy	-	(135,869)	(4,696)	-	(140,565)	-	3,420	-	(3,531)	(111)	(140,676)
Kupatana	(1,095,850)	(75,295)	(1,959)	-	(1,173,104)	81,932	(4,154)	-	(57,683)	20,095	(1,153,009)
Infocasas	(41,535)	(38,335)	(21,714)	-	(101,584)	(9,638)	22,092	-	(3,959)	8,495	(93,089)
Moteur	(221,610)	(52,710)	-	-	(274,320)	26,230	(3,019)	-	(12,734)	10,477	(263,843)
	<u>(7,813,077)</u>	<u>(1,074,222)</u>	<u>(866,796)</u>	<u>-</u>	<u>(9,754,095)</u>	<u>246,444</u>	<u>792,382</u>	<u>-</u>	<u>(447,021)</u>	<u>591,805</u>	<u>(9,162,290)</u>

Half Year ended 30 June 2017											
Operating Company	Share of associates profit or loss					Share of other comprehensive income					Share of total comprehensive income
	1-Jan-17	Addition	Foreign exchange (loss)/gain	Step Acquisition	31-Jun-17	1-Jan-17	Addition	Step Acquisition	Exchange difference	31-Jun-17	31-Jun-17
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	(2,329,085)	(1,094,554)	330,184	-	(3,093,455)	(605,903)	169,889	-	167,380	(268,634)	(3,362,089)
Pakwheels	(1,396,646)	(210,197)	-	-	(1,606,843)	(58,990)	(24,640)	-	82,524	(1,106)	(1,607,949)
Kupatana	(786,286)	(158,656)	(5,408)	-	(950,350)	6,887	4,543	-	44,070	55,500	(894,850)
Infocasas	-	-	-	-	-	-	-	-	-	-	-
Other associates	(331,873)	(134,788)	-	284,992	(181,669)	36,690	(10,746)	(22,946)	12,371	15,369	(166,300)
	<u>(4,843,890)</u>	<u>(1,598,195)</u>	<u>324,776</u>	<u>284,992</u>	<u>(5,832,317)</u>	<u>(621,316)</u>	<u>139,046</u>	<u>(22,946)</u>	<u>306,345</u>	<u>(198,871)</u>	<u>(6,031,188)</u>

10. Investments in associates (cont'd)

iii) The tables below 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 entity 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 18												
Operating Company	Assets					Liabilities						Net assets
	Current assets			Non-current assets		Current liabilities			Non-current liabilities			
	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	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	2,487,365	4,684,872	7,172,237	1,820,819	1,612,368	1,674,729	1,818,856	3,493,585	-	-	-	7,111,839
Pakwheels	87,715	888,550	976,265	254,930	200,578	2,007,515	75,189	2,082,704	-	-	-	(650,931)
Propzy	1,312,273	387,878	1,700,151	92,926	1,332,425	142,933	-	142,933	-	-	-	2,982,569
Kupatana	38,843	70,711	109,554	40,653	-	258,141	-	258,141	-	-	-	(107,934)
Infocasas	533,197	453,393	986,590	208,701	543,100	340,315	143,869	484,184	290,021	-	290,021	964,186
Moteur	366,522	221,168	587,690	63,926	42,374	109,560	-	109,560	-	-	-	584,430
	4,825,915	6,706,572	11,532,487	2,481,955	3,730,845	4,533,193	2,037,914	6,571,107	290,021	-	290,021	10,884,159

31 Dec 17												
Operating Company	Assets					Liabilities						Net assets
	Current assets			Non-current assets		Current liabilities			Non-current liabilities			
	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	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	2,088,561	3,542,955	5,631,516	1,724,147	1,935,467	3,470,348	-	3,470,348	-	-	-	5,820,782
Pakwheels	212,885	1,095,306	1,308,191	280,303	269,331	1,833,029	-	1,833,029	-	-	-	24,796
Kupatana	48,759	150,277	199,036	69,070	155,953	122,737	-	122,737	-	-	-	301,322
Infocasas	748,576	413,471	1,162,047	179,677	594,108	610,802	-	610,802	269,218	-	269,218	1,055,812
Other associates	159,714	238,830	398,544	60,896	49,672	98,827	-	98,827	-	-	-	410,285
	3,258,495	5,440,839	8,699,334	2,314,093	3,004,531	6,135,743	-	6,135,743	269,218	-	269,218	7,612,997

10. Investments in associates (cont'd)

The summarised financial performance of associated companies for the financial year, are as follows:

Operating Company	Half year 2018					Half year 2017				
	Net loss before unrealised foreign exchange (losses)	Unrealised foreign exchange (losses)	Other comprehensive income	Amortisation and loss of intangible assets	Total comprehensive income	Net loss before unrealised foreign exchange (losses)	Unrealised foreign exchange gains/ (losses)	Other comprehensive income	Amortisation of intangible assets	Total comprehensive income
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	(1,420,428)	(2,138,805)	1,971,877	(406,650)	(1,994,006)	(3,232,268)	1,100,615	566,297	(416,245)	(1,981,601)
Pakwheels	(528,429)	(534,161)	495,330	(79,308)	(646,568)	(489,118)	(270)	(66,884)	(81,180)	(637,452)
Propzy	(1,205,782)	(32,158)	23,973	(87,469)	(1,301,436)	-	-	-	-	-
Kupatana	(228,324)	(6,675)	(14,187)	(28,831)	(278,017)	(483,685)	(17,381)	14,574	(25,584)	(512,076)
Infocasas	(1,205,782)	(32,158)	23,973	(78,826)	(1,292,793)	-	-	-	-	-
Other associates										
- Step acquisition	-	-	-	-	-	(51,967)	-	(39,137)	(26,162)	(117,266)
- Others	(98,523)	-	(6,166)	(9,488)	(114,177)	(132,795)	-	19,840	(9,712)	(122,667)
	(4,687,268)	(2,743,957)	2,494,800	(690,572)	(5,626,997)	(4,389,833)	1,082,964	494,690	(558,883)	(3,371,062)

Total revenue generated by operating entities in the period during which they were accounted by the Group as associate companies was \$12,200,995 (2017: \$5,917,500).

Associated companies reported using the equity accounting method at the period end generated half year revenues of \$12,296,093 (2017: \$6,001,106) as follows:

Operating Company	Half year 2018 \$	Half year 2017 \$
Zameen	9,738,248	5,067,927
Pakwheels	1,028,528	643,046
Propzy	249,357	143,803
Infocasas	1,086,304	-
Other associates	193,656	146,330
	12,296,093	6,001,106

*Controlled entity acquired on 1 June 2017. Accounted for as an associate company from 10 April 2018.
New investment on 6 September 2017*

11. Share capital

	2018	2017	2018	2017
	Shares	Shares	\$	\$
Fully paid ordinary shares				
At 1 January	220,657,967	216,067,976	60,118,042	57,717,472
Issued for cash	22,157,668	-	14,402,484	-
Issued for business combinations	-	2,958,121	-	1,626,967
Issued to employee	1,024,727	1,158,922	545,065	583,350
	<u>243,840,362</u>	<u>220,185,019</u>	<u>75,065,591</u>	<u>59,927,789</u>
Less: Transaction costs	-	-	(1,056,616)	(36,999)
At 30 June	<u>243,840,362</u>	<u>220,185,019</u>	<u>74,008,975</u>	<u>59,890,790</u>

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, through a fully underwritten entitlement offer to eligible shareholders, 22,157,668 ordinary shares were issued for cash of \$14,402,484.

In the same period, 918,099 ordinary shares were issued to employees as share based payments with a value of \$477,675 of which 745,000 shares with a value of \$372,500 were issued upon the exercise of employee Share Rights. A further 106,628 ordinary shares were issued to Directors as share based payments with a value of \$67,390.

12. Business Combinations

12.1 Increase in equity interest in Autodeal

Upon the achievement of certain operational targets by 31 December 2017, the Group paid \$500,000 on 2 May 2018 to Autodeal in exchange for 9,375 shares, increasing the Group's equity interest by 3.51% to 36.84% of the total issued shares of Autodeal.

12.2 Controlled entities acquired in the year ended 31 December 2017

The Group has up to twelve months from the date of acquisition to complete its initial acquisition accounting. Changes to the initial acquisition accounting are shown below:

	Autodeal	Casa Mozambique	Hoppler	Propzy	Total
	\$	\$	\$	\$	\$
Total identifiable net assets acquired as per 2017 disclosure	3,126,967	586,717	895,860	1,081,200	5,690,744
Changes in 2018					
Changes in Deferred revenue	-	-	(25,740)	-	(25,740)
Less: Non-controlling interest's share of net assets	-	-	20,441	-	20,441
Revised identifiable net assets acquired	<u>3,126,967</u>	<u>586,717</u>	<u>890,561</u>	<u>1,081,200</u>	<u>5,685,445</u>

13. Discontinued operations

13.1 Disposal of Carwangu

On 21 January 2018, the Group disposed of its equity interest in Carwangu of 60.05% for cash consideration of US\$2 (AUD equivalent of \$3). This generated a loss on disposal of \$25,900.

	\$
Cash consideration received	3
Less: Net assets at disposal	(18,049)
Less: Reclassification of foreign currency translation reserve	(7,854)
Loss on disposal after income tax	(25,900)
	\$
Net assets at disposal	
Cash at bank	636
Non-controlling interests	17,413
	18,049

Financial performance and cash flow information up to and including the date of disposal are detailed in note 13.4 and below, respectively.

	Half year ended 30 Jun 2018	Half year ended 30 Jun 2017
	\$	\$
Net cash outflow from operating activities	-	(87,596)
Net cash inflow from investing activities	3	-
Net increase/(decrease) in cash generated	3	(87,596)

13.2 Disposal of CasaMozambique

On 9 February 2018, the Group disposed of its equity interest in CasaMozambique of 41.67% for cash consideration of US\$1 (AUD equivalent of \$1). This generated a gain on disposal of \$189,213.

	\$
Cash consideration received	1
Less: Net liabilities at disposal	188,107
Less: Reclassification of foreign currency translation reserve	1,105
Gain on disposal after income tax	189,213
	\$
Net liabilities at disposal	
Cash at bank	16,072
Trade and other receivables	51,218
Trade and other payables	(297,538)
Accruals	(323)
Non-controlling interests	42,464
	(188,107)

Financial performance and cash flow information up to and including the date of disposal are detailed in note 13.4 and below, respectively.

	Half year ended 30 Jun 2018	Half year ended 30 Jun 2017
	\$	\$
Net cash outflow from operating activities	-	15,857
Net cash inflow/(outflow) from investing activities	1	(6,375)
Net increase in cash generated	1	9,482

13. Discontinued operations (cont'd)

13.3 Deemed disposal of Propzy

Upon investment of US\$2,000,000 by an external strategic investor into Propzy on 10 April 2018, the Group entered into a new shareholder agreement affecting its unfettered rights to direct the business activities of the operating entity. As such, a disposal of the operating entity was deemed to have occurred generating a gain on deemed disposal of \$541,673.

	\$
Fair value of previously held equity interest	1,845,430
Less: Net assets at disposal	(1,128,569)
Less: Reclassification of foreign currency translation reserve	(175,188)
Gain on deemed disposal	<u>541,673</u>

Net assets at disposal	\$
Cash at bank	122,834
Trade and other receivables	362,195
Deposits	52,583
Prepayments	36,810
Property, plant and equipment	61,749
Other intangible assets	1,353,871
Goodwill	499,353
Trade and other payables	(333,760)
Accruals	(1,091)
Borrowings	(452,130)
Deferred tax liabilities	(78,897)
Non-controlling interests	(494,948)
	<u>1,128,569</u>

Financial performance and cash flow information up to and including the date of disposal are detailed in note 13.4 and below, respectively.

	Half year ended 30 Jun 2018 \$	Half year ended 30 Jun 2017 \$
Net cash outflow from operating activities	(413,674)	(196,635)
Net cash inflow from investing activities	-	1,097,478
Net cash inflow/(outflow) from financing activities	449,210	(290,364)
Net increase in cash generated	<u>35,536</u>	<u>610,479</u>

13. Discontinued operations (cont'd)

13.4 Disclosure of discontinued operations in comparative condensed statement of comprehensive income

Between 27 September 2017 and 30 June 2018 the Group disposed of five subsidiaries consisting of IMCongo and Afribaba during the year ended 31 December 2017, and Carwangu, CasaMozambique and Propzy during the half year period ended 30 June 2018.

The following comparative items in the condensed consolidated statement of comprehensive income have been restated for discontinued operations:

	Originally reported 30 Jun 2017 \$	Disposals in the year ended 31 Dec 2017 \$	Disposals in the period ended 30 Jun 2018 \$	Restated 30 Jun 2017 \$
Revenue	4,409,544	(52,567)	(124,476)	4,232,501
Administrative expenses	(1,033,169)	40,045	44,820	(948,304)
Offline production costs	(537,695)	-	21,742	(515,953)
Employment expenses	(2,913,701)	133,163	180,382	(2,600,156)
Advertising and marketing expenses	(2,933,337)	42,991	73,819	(2,816,527)
Premises and infrastructure expenses	(661,815)	47,944	26,777	(587,094)
Transaction advisory costs	(198,474)	-	-	(198,474)
Other income	180,339	975	-	181,314
Unrealised foreign exchange (loss)/gain	(1,835,669)	342	(592)	(1,835,919)
Depreciation and amortisation	(794,702)	85,844	9,309	(699,549)
Operating loss from continuing operations	(6,318,679)	298,737	231,781	(5,788,161)
Interest income	98,977	1,330	(6,883)	93,424
Loss before income tax	(7,756,009)	300,067	224,898	(7,231,044)
Income tax credit/(expense)	227,271	(19,733)	-	207,538
Net loss from continuing operations	(7,528,738)	280,334	224,898	(7,023,506)
Net loss after tax from discontinued operation	-	(280,334)	(224,898)	(505,232)
Net loss after tax	(7,528,738)	-	-	(7,528,738)
Other comprehensive income, net of tax				
Exchange differences on translation of foreign operations	(788,898)	-	10,620	(778,278)
Other comprehensive income arising from discontinued operation	-	-	(70,684)	(70,684)
Share of other comprehensive income of associates	139,046	-	60,064	199,110
Total comprehensive income for the period	8,178,590	-	-	8,178,590

14. Unexercised call options and convertible loan notes

At the date of this report, the Group held unexercised call options and convertible loan notes in the following operating entities:

Operating companies	Call Option expiring	Consideration US\$	Increase in shareholding %	Group equity holding % after exercise of option
Infocasas	November 2019	Multiple of trailing twelve month revenue	19.67%	51%

Operating companies	Convertible loan notes maturing on	Consideration US\$	Interest rate per annum	Current shareholding %	Maximum Group equity holding % after conversion
TechAfrica	2 November 2022	440,000	10.00%	75.00%	90.00%
Pakwheels	3 October 2022	300,000	10.08%	36.84%	Variable*

*Note 6 – Financial instruments

15. Notes to the condensed consolidated statement of cash flows

	Half year ended	
	30 Jun 2018	30 Jun 2017
	\$	\$
Cash flows from operating activities		
Net loss before tax	(4,460,623)	(7,756,009)
Adjustments for:		
Amortisation of intangible assets	1,446,913	718,182
Depreciation	94,448	76,520
Impairment of loan to and investment in associate	1,784,591	-
Impairment of goodwill	-	438,372
Net foreign exchange difference	(1,903,868)	1,835,669
Share of net loss of associates	1,941,018	1,273,419
Interest income	(77,582)	(98,977)
Interest expense	6,551	-
Non-cash employee benefits expense – share based payments	276,214	478,564
Fair value of right to cancel call option	(1,891,540)	-
Gains on disposal of subsidiaries	(704,986)	-
Gains from deemed disposal of Associate shareholding	-	(175,484)
	(3,488,864)	(3,209,744)
Change in operating assets and liabilities, net of effects from purchase of controlled entities:		
Trade and other receivables	(525,845)	(387,062)
Trade and other payables	393,254	(85,664)
Cash used in operations	(3,621,455)	(3,682,470)
Interest paid	(6,551)	-
Interest received	71,419	101,834
Net cash used in operating activities	(3,556,587)	(3,580,636)

16. 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 2018 cannot be ascertained and the Directors believe that any resulting liability would not materially affect the financial position of the Group.

17. Subsequent events

On 30 July 2018 the Group received cash consideration of US\$1,400,000 (AUD equivalent \$1,891,540) for cancelling its option to acquire a 1.32% interest in IZH Holdings Ltd, a private investment company which owns 70% of Zameen amongst other smaller online classifieds companies.

Independent Auditor's Review Report to the Members of Frontier Digital Ventures Limited

We have reviewed the accompanying half-year financial report of Frontier Digital Ventures Limited and controlled entities, which comprises the condensed consolidated statement of financial position as at 30 June 2018, and the condensed consolidated statement profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 26.

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 gives a true and fair view and 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 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 2018 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 and controlled entities, 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.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Frontier Digital Ventures Limited and controlled entities, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 and controlled entities is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Anneke Du Toit
Partner
Melbourne, 27 August 2018

Corporate Directory

<p>Registered Office</p> <p>Level 7, 330 Collins Street, Melbourne VIC 3000 Australia</p> <p>Tel: +61 3 8689 9997 Fax: +61 3 9602 4709</p>	<p>Share Registry</p> <p>Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abbotsford VIC 3067</p>
<p>Principal Place of Business</p> <p>39-8 The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur, Malaysia</p> <p>Tel: +60 3 2201 0790</p>	<p>Company Secretary</p> <p>Mertons Corporate Services Pty Ltd Mark Licciardo</p> <p>Email: markl@mertons.com.au</p>
<p>The Board</p>	
<p>Anthony Klok Shaun Antony Di Gregorio</p> <p>Mark Licciardo</p>	<p>Independent Director, non-executive Chairman Non-independent executive Director and Chief Executive Officer Independent, non-executive Director and Company Secretary</p>
<p>Chief Executive Officer</p> <p>Shaun Antony Di Gregorio Email: shaundig@frontierdv.com</p>	<p>Chief Financial Officer</p> <p>Shiao Mae Chan Email: shiao@frontierdv.com</p>
<p>Websites</p> <p>http://frontierdv.com/</p>	<p>Auditors</p> <p>Deloitte Touche Tohmatsu 550 Bourke Street, Melbourne VIC 3000</p>
<p>ASX Listing Code</p> <p>FDV</p>	