



**FRONTIER DIGITAL VENTURES LIMITED**  
**ABN 25 609 183 959**

AUDITED FINANCIAL STATEMENTS  
*For the financial year ended 31 December 2022*

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## DIRECTORS' REPORT

The Directors of Frontier Digital Ventures Limited ("the Company" or "FDV") submit the annual financial report of the Company and its subsidiaries ("the Group") for the financial year ended 31 December 2022. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' report is 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
Frances Po	Independent, non-executive Director

Details of Directors of the Company, the Company Secretary, the Chief Executive Officer and key management personnel in office at the date of this report, and each of their qualifications, experience and special responsibilities are listed below.

Name	Experience
Anthony Klok (Independent Director, non-executive Chairman)	<p>Mr Klok has more than 35 years' advisory and operational experience in diverse areas including legal, corporate advisory, media and technology and internet businesses. Mr Klok is an experienced lawyer and senior executive with considerable experience in sourcing, negotiating and investing in online and technology companies. Mr Klok has significant Board experience within the online classifieds sector as a former non-executive Director of both Carsales and Seek. Mr Klok currently holds board positions with Frontier Digital Ventures, Prospecta, Genero and Camms. Previous board positions included Fox Sports, Carsales, Seek, NineMSN, Ticketek, Sydney SuperDome, Wizard, Betfair and on a number of early stage technology companies.</p> <p>Mr Klok holds a double degree of Bachelor of Commerce and Laws from the University of Tasmania.</p>
Shaun Di Gregorio (Non-independent executive Director and Chief Executive Officer)	<p>During Mr Di Gregorio's four year tenure as CEO of ASX listed company, iProperty Group Limited, he led the transformation of iProperty Group from a small online business with a market capitalisation of approximately \$15 million into one of the largest listed Internet companies in ASEAN with a market capitalisation of approximately \$524 million. He was a non-executive director of iCar Asia (ASX:ICQ) until June of 2016 and is an advisor to online classifieds businesses around the world.</p> <p>Mr Di Gregorio spent eight years as General Manager at Australia-based REA Group, a global leader and publisher of as many as 20 real estate websites in 12 countries. As General Manager of the core Australian business and global leader at 'realestate.com.au', Mr Di Gregorio grew the business alongside a team of eight people with revenue of AU\$5million into a company with more than 300 staff and revenues exceeding AU\$150 million.</p> <p>Mr Di Gregorio holds a Master of Business Administration from the Australian Graduate School of Management, part of the University of New South Wales.</p>

## Directors' Report (cont'd)

### Information about the Directors and senior management (cont'd)

Name	Experience
Mark Licciardo (Independent, non-executive Director and Company Secretary)	<p>Mark Licciardo is the founder and Managing Director of Mertons Corporate Services, now Acclime Corporate Services Australia. A former Company Secretary of Top 50 ASX listed companies Transurban Group and Australian Foundation Investment Company Limited, his expertise includes working with boards of directors in the areas of corporate governance, administration and company secretarial. Mark is a Fellow of the Australian Institute of Company Directors (AICD), the Institute of Company Secretaries and Administrators and the Governance Institute of Australia. Mark is a current director of a number of public and private companies and a former Chairman of the Governance Institute of Australia Victoria division, Melbourne Fringe Festival and the Academy of Design Melbourne (LCI Melbourne).</p> <p>Mr Licciardo holds a Bachelor of Business Degree (Accounting) from Victoria University and a Graduate Diploma in Company Secretarial Practice.</p> <p>Mr Licciardo is a former director of ASX listed entities Ensogo Limited, Mobilicom Limited and iCar Asia Limited.</p>
Frances Po (Independent, non-executive Director)	<p>Frances Po spent more than 36 years specialising in taxation and was a Tax Partner at PricewaterhouseCoopers ("PwC") Malaysia until her retirement in July 2019. During her career at PwC, she held various senior leadership roles including Business unit leader for International Tax Services / Mergers &amp; Acquisitions Tax from 2012-2019, and Tax business unit leader for Energy, Utilities, Multimedia &amp; Infocommunication ("EUMI") from 2005-2012. Frances was a member of the Tax EXCO (Tax Leadership team) and also held the role of Tax people partner for several years.</p> <p>Frances has worked with some of the largest global private equity funds and corporations in restructuring, mergers &amp; acquisitions and corporate advisory. She is currently an independent non-executive Director at Sentral REIT Management Sdn Bhd; manager of Sentral REIT (KLSE:5123). Sentral REIT owns and invests in income-producing commercial property assets. She brings listed company experience in a fund specialising in the property vertical.</p> <p>Frances graduated with a Bachelor of Accounting (Hons) from University Malaya. She is a Chartered Accountant with the Malaysian Institute of Accountants, a Fellow of the Chartered Tax Institute of Malaysia and a member of the Institute of Corporate Directors Malaysia.</p>

## Information about the Directors and senior management (cont'd)

Name	Experience
Jason Lau (Chief Financial Officer)	<p>Jason Lau is a Chartered Accountant (CA) of Australia and New Zealand. He has over 20 years of experience in the finance industry having worked and resided in Australia and Thailand before. He is currently based in Malaysia.</p> <p>Prior to joining FDV, he was the Asia Head of Finance at GrowthOps, a leading professional services provider in APAC specialising in digital growth and technological transformation. He was formerly the Finance Controller for South East Asia at Expro before joining GrowthOps. Jason has extensive experience in leading commercial transactions and deals in South East Asia, conducting strategic operational reviews to maximise revenue and EBITDA performance, including post-acquisition integration and restructuring.</p>
Jason Thoe (Chief Operating Officer)	<p>An established digital marketplace professional, Mr Thoe has held various roles in successful online classifieds, technology, and marketing consulting entities throughout his career. With over a decade's worth of international experience throughout his career, Jason is able to offer expertise in developing successful growth strategies for online marketplaces.</p> <p>Prior to joining FDV, he was instrumental in driving iCarAsia's rapid growth in various capacities across its 7 brands in 3 markets over his 4 year tenure. Before that, he served as the head of marketing at PropertyGuru during its pioneering phase in Malaysia.</p> <p>Mr Thoe holds a Bachelor of Business Management (Hons.) from the University of Queensland.</p>
Sylvia Lim (Group Human Resource Director)	<p>Sylvia is an experienced HR professional with over 15 years of experience in a variety of HR functional areas including Performance Management, Engagement, Talent Management, Compensation &amp; Benefits, and HR Operations.</p> <p>Prior to joining FDV as Group HR Director, she spent 9 years at REA Group Asia where she was a strategic HR Business Partner to the leadership team in developing and driving impactful people strategies. She leads and manages the People Operations team to build and elevate employee experience across Asia.</p> <p>Sylvia holds a Diploma of Human Resources Management from Tunku Abdul Rahman University College (TARC).</p>

## Directors' Report (cont'd)

### Directors' shareholdings

The following table sets out each director's shareholding as at 31 December 2022, their relevant interest in shares and options in the Company as at that date.

Director	Fully paid ordinary shares	
	Number	%
Anthony Klok	210,000	0.06%
Shaun Di Gregorio	37,260,740	9.82%
Mark Licciardo	405,398	0.11%
Frances Po	25,000	0.01%

### Remuneration of Directors and senior management

Information about the remuneration of Directors and senior management is set out in the Remuneration Report on page 12 and in Note 29 Key management personnel compensation.

### Share options and rights granted to Directors and senior management

There were no new share options and share rights granted to Directors or senior management during the year (2021: NIL) nor since the end of the financial year.

As at the date of this report, there were nil vested share options (2021: 450,000 vested share options) and no unissued ordinary shares rights (2021: NIL).

Further details on the Options, Share Rights Plan and outstanding share rights are disclosed in the Remuneration Report.

## Directors' Report (cont'd)

### Principal activities

The principal activity of the Group during the year was investing in and operating developing online classified businesses ("Operating Companies") in emerging and developing countries or regions ("Target Markets") with anticipated strong growth prospects.

Over the course of the year, the Group has continued its geographical focus on Target Markets in developing Asia (excluding China and India), Central and South America, and Africa/MENA, with particular focus on South East Asia and South America.

### Review of Operations

Due to the nature of FDV's portfolio, there is a difference between the "economic interest" in investments and the financial performance reported in the consolidated financial statements. At the year end, the portfolio consisted of fifteen investments, thirteen investments accounted for as Controlled Entities on a Consolidated basis and two investments reported as Associates under the equity method in accordance with AASB 128.

FDV reports Group operating revenue of \$85,029,455 (2021: \$70,391,793), which consists of \$59,160,527 from Controlled Entities and \$25,868,928 from equity accounted entities. The corresponding group operating EBITDA was \$36,506 (2021: (\$2,640,640)), which consists of adjusted EBITDA from continuing operations of Controlled Entities of (\$4,697,185) and EBITDA from equity accounted entities of \$4,733,691.

	2022 A\$000	2021 A\$000	Change A\$000	%
Revenue from continuing operations of Controlled Entities	59,161	51,412	7,749	15%
Revenue from equity accounted entities	25,869	18,980	6,889	36%
<b>Group operating revenue<sup>1</sup></b>	<b>85,029</b>	<b>70,392</b>	<b>14,637</b>	<b>21%</b>
Adjusted EBITDA from continuing operations of Controlled Entities <sup>2</sup>	(4,697)	(5,633)	936	17%
EBITDA from equity accounted entities	4,734	2,992	1,742	58%
<b>Group operating EBITDA<sup>1</sup></b>	<b>37</b>	<b>(2,641)</b>	<b>2,678</b>	<b>101%</b>
Group statutory EBITDA <sup>3</sup>	(4,697)	(5,633)	936	17%
Foreign exchange (loss) / gain	(327)	8,170	(8,497)	(104%)
Depreciation and amortisation <sup>4</sup>	(10,839)	(11,755)	916	8%
Other significant items <sup>5</sup>	4,361	(12,096)	16,457	136%
Share of net profit / (loss) from associates <sup>6</sup>	(987)	1,584	(2,571)	(162%)
Income tax benefit	799	221	578	262%
Net profit / (loss) after tax	(11,691)	(19,509)	7,818	40%
Net profit / (loss) attributable to NCI	(1,454)	(4,405)	2,951	67%
Profit / (Loss) after tax attributable to members	(10,237)	(15,104)	4,867	32%

#### Notes

- Group operating revenue and EBITDA are non-IFRS measures that are defined as revenue and adjusted EBITDA from continuing operations of controlled and equity accounted entities. The Board believes the additional information to IFRS measures included in the table is relevant and useful in measuring the financial performance of Frontier Digital Ventures.
- 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.
- Group statutory EBITDA refers to Group operating EBITDA less EBITDA from equity accounted entities (Zameen and PakWheels).
- D&A: Small decrease primarily attributed to amortisation of domains, brands and trademarks from the acquisition of Encuentra24 (\$2.7m expired Aug-22), Avito (\$2m expiring Nov-23), Fincaraiz (\$1.4m expiring Nov-25) and Yapo (\$0.7m expiring in Feb-26), as well as intangibles in website development cost.
- Other significant items: Primarily relates to fair value adjustment from Infocasas and Encuentra 24 continent consideration (of \$8.7m).
- Share of associates profit/loss: Profit from associates of \$1.2m was offset by share of unrealised foreign exchange losses from Pakwheels and Zameen \$(2.2m) the latter relating to internal related party loans between their parent company.

## Directors' Report (cont'd)

### Review of Operations (cont'd)

FDV LATAM achieved record portfolio revenue and portfolio EBITDA in FY22 as it continued to scale and increase its presence in the region. Of the four, wholly-owned operating companies, Encuentra24 saw the largest EBITDA improvement, with this result being achieved following FDV's increase to 100% ownership in December 2021. In Q4 FY22, a strategic cost restructure focussed on Yapo and Encuentra24 was undertaken, which is expected to generate future employee, marketing and technology efficiencies. The estimated annual savings following the restructure in FY23 are expected to be ~\$3m relative to FY22.

Operating companies in FDV Asia continued their strong performance in FY22, with the region operating cash flow positive in H2 FY22, excluding Zameen and PakWheels in Pakistan as these two equity accounted companies are excluded from the consolidated results. Zameen and PakWheels achieved a record portfolio revenue and portfolio EBITDA in FY22, despite challenging business conditions and the appreciation of the average AUD:PKR exchange rate significantly masking the underlying performance of the business. iMyanmarHouse was a portfolio standout, with revenue growth of 114% between FY21 and FY22, reflecting a significant rebound in market conditions following the political disruption in early 2021.

FDV MENA made significant progress towards profitability, recording portfolio EBITDA improvement of \$1.3m between FY21 and FY22. Notably, the region was operating cash flow positive in H2 FY22. Despite a strategic review and several cost optimisation initiatives being undertaken throughout FY22, the portfolio revenue increased slightly between FY21 and FY22.

In FY22, FDV Group disposed of its interests in MeQasa and Le Rouge, in line with its strategy of continually assessing opportunities to optimise its portfolio mix. The disposal of MeQasa, which was completed on 15 November 2022 for US\$529,360, enables FDV to allocate more time and resources to key markets in Morocco and Tunisia. The disposal of Le Rouge resulted from management undertaking an exercise to maximise the efficiency of the legal entity structure. Le Rouge was a holding company for trademarks and domains related to the purchase of Avito.

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.

Most acquisitions are denominated in USD and USD is the functional currency of the intermediate holding company of the Group as well as a number of subsidiaries. The Group held 5% (2021: 24%) of its cash and Term Deposit balances in USD denominated accounts at the year end. Since the Group reports its financial results in AUD, it carries currency reporting risks. This is reflected in the currency exchange loss of (\$326,805) reported in the current period (2021: currency exchange gain of \$8,169,898).

### Material Business Risks

Identifying and mitigating key business risks that may affect our strategy and financial performance is a significant part of FDV Group's corporate governance framework. This section outlines key risks identified by the FDV Group. They are not listed in any particular order.

#### Global Economic Demand

Increases in interest rates, fuel costs, logistics supply chain issues in shipping and global computer chip shortages have caused higher prices for materials and products and delays in transport impacting production of traditional products like motor vehicles. Inflationary and transport related risks arise that could impact the FDV Group's ongoing growth plans.

#### Post-acquisition Integration

The FDV Group's strategy involves the acquisition of suitable entities that are favourable to its growth plans. Despite the considerable resources management employ to realise growth from these acquisitions there are risks that the FDV Group may not be able to successfully integrate such acquisitions.

#### Political environment

Political uncertainty caused by changes in government are observed in emerging countries (such as Sri Lanka, Panama, Pakistan, Myanmar, Tunisia and others). Management expends time and resources to monitor the regulatory uncertainty, ensuring appropriate checks and risk mitigation actions are in place. Despite this, risks remain that economic conditions may be impacted by these changes. There is significant economic volatility noted particularly in Pakistan currently and ongoing political uncertainty may further impact operating conditions.

#### Cybersecurity Vulnerability

Like all organisations, the FDV Group's information technology systems in various regions may be subject to attempted breaches by third parties with unauthorized access to data. Portfolio companies make significant investments in protecting proprietary information. However, risks remain that unauthorized access can still occur resulting in regulatory fines, brand damage and loss of customer confidence.

## Directors' Report (cont'd)

### Review of Operations (cont'd)

#### Portfolio of Operating Entities

##### Economic Share Basis

An alternative reflection of the Group's performance and contribution to shareholder wealth is the cumulative sum of the Group's proportionate share of the Operating Entities, measuring the performance of each investment on an economic share basis, regardless of control and the accounting treatment applied.

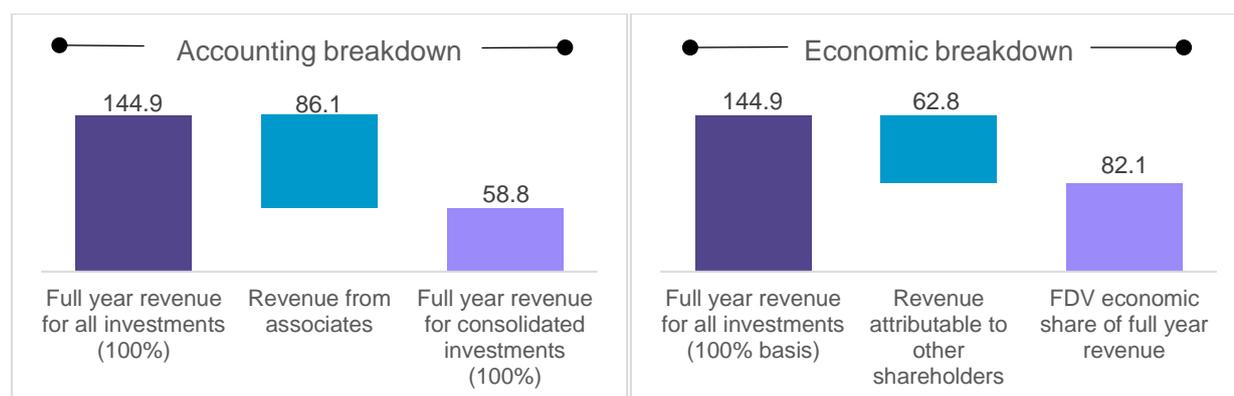
On an economic share basis, below is a summary of Revenue and Adjusted EBITDA since FY2017 for the full portfolio of Operating Entities. Note: Results figures quoted for entities with continuing operations as at 31 December 2022 (excludes MeQasa).

Economic Share basis (Operating Entities)	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000
Revenue	8,835	14,205	23,486	23,558	60,022	82,111
Revenue Growth (%)	127%	61%	65%	0%	155%	37%
Adjusted EBITDA	(4,119)	(3,575)	(2,143)	653	1,835	4,022
EBITDA (loss)/profit (%)	(47%)	(25%)	(9%)	3%	3%	5%
Share price at 31 December	\$0.695	\$0.500	\$0.815	\$1.490	\$1.560	\$0.680

##### 100% Basis

While a review of performance on an economic share basis is the best indicator of shareholder wealth through a valuation of the sum of parts, the best measure of underlying performances of the Operating Entities is through a review of performances on a 100% basis.

Outlined below is a reconciliation bridging Revenues on an 100% basis to an economic share basis and to the accounting treatment for FY22.



The historical performance of the Operating Entities in the FDV portfolio on a 100% basis since 2017 is summarised below:

100% basis	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000
Revenue	26,922	41,528	72,356	62,900	114,280	144,925
Revenue Growth (%)	77%	54%	74%	(13%)	82%	27%
Adjusted EBITDA	(12,563)	(11,417)	(7,551)	1,707	8,839	15,018
EBITDA (loss)/profit(%)	(47%)	(27%)	(10%)	3%	8%	10%

Non Financial Key Performance Indicators	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2021	Dec 2022
Sessions	22,899,603	25,241,507	28,435,964	38,773,245	84,274,815	69,014,480
Advertisers	170,731	197,921	218,656	191,480	1,059,608	477,004

## Directors' Report (cont'd)

### Dividends

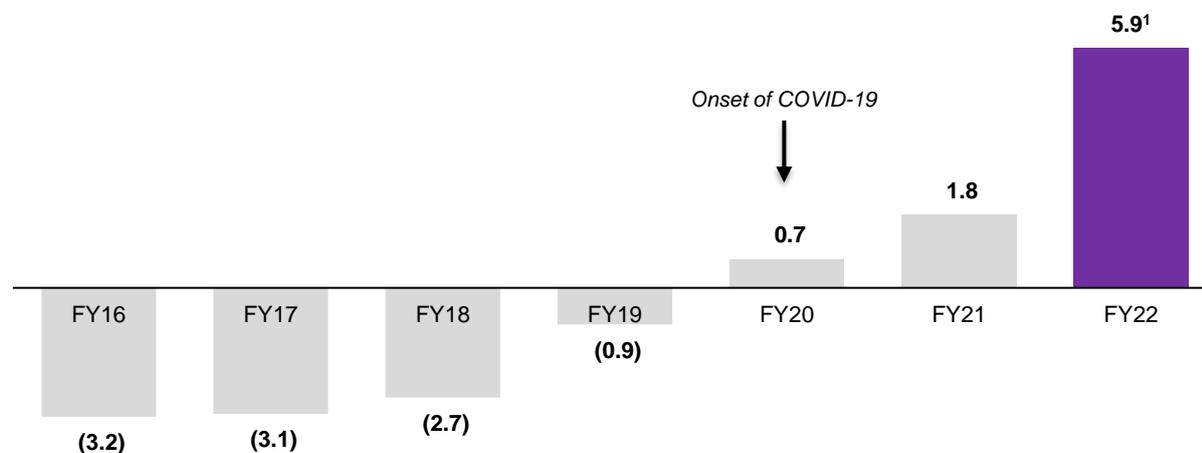
No dividends have been paid or declared since the start of the financial year and the Group does not propose to pay a dividend for this reporting period.

### Business Strategies & Future Developments

FDV is a leading owner and operator of online marketplace businesses operating across property, automotive and general classifieds verticals in fast growing emerging markets. FDV's portfolio is split across three geographic regions – FDV LATAM, FDV Asia and FDV MENA. Currently, there are fifteen market leading companies within FDV's portfolio which operate across nineteen countries. FDV works closely with local management teams to provide strategic oversight and drive operational enhancements underpinned by FDV's extensive experience and proven track record with online marketplace businesses. The Company supports individual operating companies to augment their market leadership positions and facilitate transactions to unlock their earnings potential and drive long-term value for shareholders.

Since the IPO in 2016, FDV has focussed on progressing its operating companies to profitability while achieving sustainable portfolio revenue growth. In FY22, FDV achieved record portfolio EBITDA of \$5.9m<sup>1</sup> on an FDV % share basis, excluding one-off restructuring expenses, representing a significant increase from \$1.8m in FY21 (refer to Figure 1). Each region increased EBITDA between FY21 and FY22, with FDV LATAM, FDV Asia and FDV MENA improving \$1.0m, \$1.8m and \$1.4m<sup>1</sup> respectively on an FDV % share basis. This result benefitted from various cost optimisation initiatives undertaken in FY22 for select operating companies, which combined with the market leadership positions of the portfolio, places FDV well heading into FY23.

**Figure 1: Portfolio EBITDA since IPO (A\$m, unaudited; FDV % share basis)**

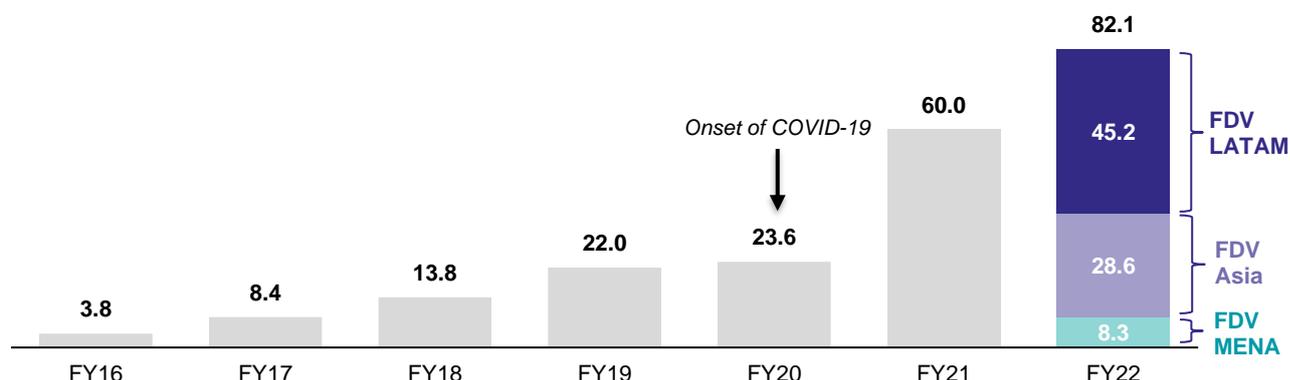


Note: Results figures quoted for entities with continuing operations as at 31 December 2022 (excludes MeQasa).

In FY22, FDV achieved record full year portfolio revenue of \$82.1m on an FDV % share basis, increasing 37% from \$60.0m in FY21 (refer to Figure 2). This result demonstrates FDV's operating companies' ability to take advantage of more challenging business and economic conditions to further strengthen the market leading positions of its operating companies, as number 2 and 3 players face tougher operating conditions, including uncertain funding environments.

<sup>1</sup> FY22 EBITDA excludes one-off restructuring expenses in 3Q FY22 and 4Q FY22, which were \$993k and \$906k in aggregate respectively, with all restructuring costs in 4Q FY22 associated with FDV LATAM. FY22 portfolio revenue and EBITDA figures have been updated, relative to unaudited figures provided in the Quarterly Activity Report, which primarily relate to a A\$550k improvement in Avito's FY22 EBITDA

Figure 2: Portfolio revenue (A\$m, unaudited; FDV % share basis)



Note: Results figures quoted for entities with continuing operations as at 31 December 2022 (excludes MeQasa).

FDV will continue to transition its traditional classifieds portals towards being marketplaces that act as an intermediary for transacting property, auto and general goods. From this position, the operating companies can augment traditional classifieds revenue with high value transaction revenue, such as sales commissions, to capture a greater share of the transaction value of property and auto. FDV continues to leverage successful strategies in FDV Asia, with Zameen, and in FDV LATAM, with InfoCasas, to further develop the transaction strategies of operating companies across the portfolio.

In addition, FDV continues to conduct portfolio optimisation activities to drive long-term shareholder value. In the second half of 2022, FDV introduced a local management team at the FDV LATAM holding company level to unify the four wholly-owned operating companies, InfoCasas, Encuentra24, Fincaraiz and Yapo, and accelerate FDV's ability to unlock the growth potential of the region. The FDV LATAM management team is led by Ricardo Frechou as CEO, from his prior role as CEO of InfoCasas. The change provides a more streamlined structure, drives cost efficiencies, and allows for the sharing of intellectual property across organisations. This consolidation of leadership within the region also provides a more optimised platform for growth and allows the business to be more attractive as a potential partner to other companies in the region.

FDV will continue to assess value creation transactions and monetisation opportunities where it considers them to be in the best interest of shareholders. There are a number of monetisation options available to FDV for both individual investments and groups of investments, including: trade sale to strategic, IPO on relevant global stock exchange, sell down to existing shareholders, sale to financial investor, merge with competitor or tranche sale to new shareholders. Notably, in November 2022, Zameen's parent company EMPG successfully raised US\$200m and announced its intention to prepare for an IPO in the near future. FDV is supportive of EMPG's IPO plans, which are consistent with FDV's long-term value creation strategy.

## Directors' Report (cont'd)

### Environmental Issues

The Company takes a responsible approach in relation to the management of environmental matters. All significant environmental risks have been reviewed and the Group has no legal obligation to take corrective action in respect of any environmental matter.

### Share Issues

During the course of the year, the Company issued shares as follows:

Month	No. of Shares	Net Amount \$	Issue Type
January 2022	146,391	217,098	Long Term Incentive Plan
January 2022	12,629,186	18,943,779	Share Purchase Plan
March 2022	70,417	104,428	Long Term Incentive Plan
March 2022	61,124	90,647	Employee Performance Bonus
May 2022	40,323	60,000	Director Remuneration
July 2022	23,877	24,615	Long Term Incentive Plan
August 2022	8,226	10,439	Long Term Incentive Plan
	<u>12,979,544</u>	<u>19,451,006</u>	

### Events subsequent to reporting date

There has been no transaction or event 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 Group, the results of those operations, or state of affairs of the Group in future years.

### Indemnification of officers

The Company has indemnified each Director of the Group, the Company Secretary and previous Directors and Secretaries (Officers) against all liabilities or loss (other than to the Company or a related body corporate) that may arise from their position as Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a breach of duties or negligence, or where indemnification is otherwise not permitted under the Corporations Act. The indemnity stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses, and covers a period of seven years after ceasing to be an Officer of the Company.

The Company has also indemnified the current and previous Directors of its controlled entities and certain members of the Company's senior management for all liabilities and loss (other than to the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a breach of duties or negligence, or where indemnification is otherwise not permitted under the Corporations Act.

The Company has executed deeds of indemnity with each of the Non-Executive Directors.

### Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, PKF Brisbane Audit, 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 PKF Brisbane Audit during or since the financial year.

## Directors' Report (cont'd)

### Directors' and Officers' Insurance

The Company has paid insurance premiums for one year's cover in respect of Directors' and Officers' liability insurance contracts, for Officers of the Company and of its controlled entities. The insurance cover is on standard industry terms and provides cover for loss and liability for wrongful acts in relation to the relevant person's role as an Officer, except that cover is not provided for loss in relation to Officers gaining any profit or advantage to which they were not legally entitled, or Officers committing any criminal, dishonest, fraudulent or malicious act or omission, or any knowing or wilful violation of any statute or regulation.

The insurance does not provide cover for the independent auditors of the Company or of a related body corporate of the Company.

In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premium paid under the contract.

### Directors' meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

During the financial year, there were seven Board Meetings, one Remuneration and Nomination Committee meetings and four Audit and Risk Committee meetings.

Directors	Board of Directors		Audit & Risk Committee		Nomination & Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
Anthony Klok	7	7	4	4	1	1
Shaun Di Gregorio	7	7	-	-	-	-
Mark Licciardo	7	7	4	4	1	1
Frances Po	7	7	4	4	1	1

### Directors' Interest in Contracts

No material contracts involving Directors' interests were entered into since the end of the previous financial year, or existed at the end of the year, other than those transactions detailed in Note 28 to the Financial Statements.

### Non-audit services

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants* (including independence standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Fees to the external auditors for non-audit services amounted to \$8,850 during the financial year (2021: \$8,400).

### Auditor's Independence Declaration

The statement by the Consolidated Entity's external auditors to the members of Frontier Digital Ventures Limited in relation to the auditor's compliance with the independence requirements of the *Corporations Act* and the professional code of conduct for external auditors, forms part of this Director's Report and is set out after this Director's Report on page 22.

## REMUNERATION REPORT

This Remuneration Report forms part of the Directors' Report and outlines the remuneration arrangements for executives and employees of Frontier Digital Ventures Limited and controlled entities, including Specified Directors and Specified Executives in accordance with section 300A and Regulation 2M.3.03 of the Corporations Regulations.

### Director and senior management details

The following persons acted as Directors of the Company during or since the end of the financial year:

- Shaun Di Gregorio
- Anthony Klok
- Mark Licciardo
- Frances Po

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year:

- Shaun Di Gregorio (Chief Executive Officer)
- Jason Lau (Chief Financial Officer)
- Jason Thoe (Chief Operating Officer)
- Sylvia Lim (Group Human Resources Director)

### Remuneration & Nomination Committee

#### Role

The membership, responsibilities, authority and activities of the Remuneration & Nomination Committee are set out in the Remuneration & Nomination Committee Charter, which has been approved by the Board.

The responsibilities of the Remuneration Committee are to:

- monitor, review and recommend to the Board, as necessary and appropriate:
  - the remuneration, superannuation and incentive policies and arrangements for the Chief Executive Officer and key management personnel (i.e. those executives who report directly to the Chief Executive Officer);
  - the remuneration arrangements for Non-Executive Directors on the Board;
  - the recruitment, retention and termination policies and procedures for the Chief Executive Officer and key management personnel; and
  - key appointments and executive succession planning.
- oversee the Group's general remuneration strategy;
- review the composition of the Board including:
  - the criteria for selection of Directors, having regard to the need for the breadth and depth of skills and experience on the Board; and
  - the process for selecting new Directors.

### Membership and meetings

As at the date of this report, the members of the Remuneration & Nomination Committee were:

- Anthony Klok (Chairman)
- Mark Licciardo
- Frances Po

The Chief Executive Officer and the Chief Financial Officer attend meetings by invitation to assist the Committee in its deliberations except on matters associated with their own remuneration.

## Remuneration Report (cont'd)

### Advisers

External specialist remuneration advice is sought on an as-needs basis in respect of remuneration arrangements for Non-Executive Directors of the Board and key management personnel of the Group. General reward advice is sought on an ad hoc basis. No external reward advice was received during the financial year in respect of executive rights (2021: Nil).

### Reward policy

The Company has an established policy for determining the nature and amount of emoluments of Board members and key management personnel of the Company to align remuneration with the performance of the Group. The remuneration structure for the key management personnel seeks to emphasise payment for results.

### Reward philosophy

The Company's overall philosophy is to manage the remuneration to:

- create an environment that will attract top talent, and where people can be motivated with energy and passion to deliver superior performance;
- recognise capabilities and promote opportunities for career and professional development;
- provide rewards, benefits and conditions that are competitive within the markets in which the Group operates; and
- provide fair and consistent rewards across the Group, which support corporate principles.

The Company has a policy of ensuring that at least part of the remuneration of key management personnel is based on the performance of the Company. Key management personnel are compensated with fixed remuneration and "at risk" remuneration based on revenue and earnings targets.

### Statutory performance indicators and shareholder wealth

The Group's remuneration includes an 'at risk' element of performance incentive with entitlement to incentives contingent upon the achievement of pre-determined revenue and operating expense targets by investments across the entire portfolio. This component of the remuneration structure will increase as a percentage of total executive remuneration as employee Share Rights diminish over time.

The consolidated financial statements report significant growth during the year with consolidated revenues from continuing operations increasing by 15% and corresponding EBITDA losses continuing to narrow, falling from 11% to 8%.

Consolidated basis	2017 \$	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
Revenue*	10,041,144	12,773,922	15,347,846	20,829,477	51,412,158	59,160,527
Adjusted EBITDA*	(6,334,667)	(5,931,557)	(4,428,966)	(3,845,513)	(5,633,058)	(4,697,185)
Net loss after tax	(17,825,316)	(10,256,495)	(4,967,090)	(16,210,320)	(19,509,104)	(11,691,032)

\*Continuing operations at respective reporting period end

As noted in the Directors' Report, due to the combination of Controlled Entities and Associate companies in the FDV portfolio, the most appropriate view of Group performance and the effect on shareholder wealth is an assessment of the Operating Entities on an economic share basis.

On an economic share basis, full portfolio revenues have grown by 37% and EBITDA profit (%) has improved to 5% in FY22.

Economic Share basis (Operating Entities)	2017 \$	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
Revenue	8,895,842	14,377,293	23,729,914	23,729,751	60,249,197	82,327,500
Revenue Growth (%)	128%	62%	65%	0%	154%	37%
Adjusted EBITDA	(4,352,425)	(3,842,645)	(2,263,318)	629,092	1,902,183	4,062,966
EBITDA (loss)/profit (%)	(49%)	(27%)	(10%)	3%	3%	5%
Share price at 31 December	\$0.695	\$0.500	\$0.815	\$1.490	\$1.560	\$0.680

## Remuneration Report (cont'd)

### Key Management Personnel and Executive Director Remuneration

The Company aims to reward key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company and:

- Reward key management personnel for achievement of pre-determined key performance indicators;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

The Remuneration for key management personnel and staff includes an annual review using a formal performance appraisal process. The Remuneration Committee recommends to the Board the level of fixed and variable remuneration for the key management personnel, staff and CEO each year based on their performance.

The remuneration structure is in two parts:

- Fixed remuneration; and
- Variable remuneration

### Fixed remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration comprises payroll salary, superannuation and other benefits.

### Variable Remuneration

Comprises a short term incentive plan and a long term incentive plan.

- *Short term incentive plan (STI)*

Short term incentives are used to reward performance on a year-by-year basis. The principal performance indicator of the short-term incentive plan will be the financial performance of the Operating Entities within the Group, including both controlled entities and associate companies, during the year. The percentage and threshold level can differ for each individual and will be reviewed each year. These financial performance targets must be met in order to trigger payments to key management personnel under the STI. Payments will be made in the form of cash and shares. Key employees of FDV will be eligible to participate in the STI program by invitation from the Board.

- *Long term incentive plan (LTI)*

FDV established a long-term incentive plan called the Frontier Digital Ventures Limited Rights Plan ("LTI Plan 2019") designed to align the interests of employees with the interests of Shareholders by providing an opportunity for employees to receive an equity interest in FDV. The last vest and exercise of the Share Rights under this Rights Plan occurred on 2 July 2019. In 2021, FDV introduced a new Long Term Incentive Plan, called the Frontier Digital Ventures Limited Long Term Incentive Plan, the LTI Plan 2021. In 2022, FDV introduced LTI Plan 2022.

These long-term incentive plans are part of the Company's remuneration strategy and are designed to align the interests of management and shareholders and assist FDV in the attraction, motivation and retention of executives. In particular, the plans are designed to provide relevant executives with an incentive for future performance, with conditions of vesting and exercise of performance rights under the respective plans, encouraging those executives to remain with the Company and contribute to the future performance of the Company. Employees will be eligible to participate in these plans by invitation from the Board.

The adoption of the LTI Plan 2019 was approved at the Annual General Meeting of the shareholders of the Company on 24 May 2019, whilst the LTI Plan 2021 was approved at the Annual General Meeting of the shareholders of the Company on 17 June 2021. LTI Plan 2022 was granted on 16 August 2022.

## Remuneration Report (cont'd)

### Key Management Personnel and Executive Director Remuneration (cont'd)

The key terms of the LTI Plan and the initial grant of those Rights are set out in the table below:

Eligibility	Offers may be made at the Board's discretion to employees of the Company or any of its subsidiaries.
Offers under the LTI Plan	The Board may make offers of Rights at its discretion, subject to any requirements for Shareholder approval. The Board has the discretion to set the terms and conditions on which it will offer Rights in individual offer documents. An offer must be accepted by the employee.
Grants of Rights	A Right entitles the holder to acquire a Share for nil consideration subject to meeting specific vesting conditions.
Rights price	Rights will be granted for nil consideration.
Exercise price	No exercise price is payable in respect of the Rights granted.
Performance period	For LTI Plan 2019, the performance period is from 1 July 2019 to 30 June 2022. For LTI Plan 2021, the performance period is from 1 January 2021 to 31 December 2023. For LTI Plan 2022, the performance period is from 1 July 2022 to 31 December 2025.
Vesting conditions and vesting	<p>Rights granted under the LTI Plan 2019/2021/2022 will vest subject to the satisfaction of vesting conditions, as determined by the Board and specified in the offer document.</p> <p>Each tranche of Rights will vest equally over a period of three years.</p> <p>The first tranche of Rights will vest as follows:</p> <ul style="list-style-type: none"> <li>• One third of the first tranche will vest if the participant remains employed by the FDV Group until 30 June 2020/31 December 2021/31 December 2022.</li> <li>• One third of the first tranche will vest if the participant remains employed by the FDV Group until 30 June 2021/31 December 2022/31 December 2023.</li> <li>• One third of the first tranche will vest if the participant remains employed by the FDV Group until 30 June 2022/31 December 2023/31 December 2024.</li> </ul> <p>The second tranche of Rights will vest as follows:</p> <ul style="list-style-type: none"> <li>• One third of the first tranche will vest if the participant remains employed by the FDV Group until 30 June 2021/31 December 2022/31 December 2023.</li> <li>• One third of the first tranche will vest if the participant remains employed by the FDV Group until 30 June 2022/31 December 2023/31 December 2024.</li> <li>• One third of the first tranche will vest if the participant remains employed by the FDV Group until 30 June 2023/31 December 2024/31 December 2025.</li> </ul> <p>The third tranche of Rights will vest as follows:</p> <ul style="list-style-type: none"> <li>• One third of the first tranche will vest if the participant remains employed by the FDV Group until 30 June 2022/31 December 2023/31 December 2024.</li> <li>• One third of the first tranche will vest if the participant remains employed by the FDV Group until 30 June 2023/31 December 2024/31 December 2025.</li> <li>• One third of the first tranche will vest if the participant remains employed by the FDV Group until 30 June 2024/31 December 2025/31 December 2026.</li> </ul> <p>The fourth tranche of Rights will vest as follows:</p> <ul style="list-style-type: none"> <li>• One third of the first tranche will vest if the participant remains employed by the FDV Group until 31 December 2025.</li> <li>• One third of the first tranche will vest if the participant remains employed by the FDV Group until 31 December 2026.</li> <li>• One third of the first tranche will vest if the participant remains employed by the FDV Group until 31 December 2027.</li> </ul> <p>The portion of a participant's Rights that can vest in each tranche is maximum of 50% of their annual gross salary.</p>

## Remuneration Report (cont'd)

### Key Management Personnel and Executive Director Remuneration (cont'd)

Entitlements associated with Rights	<p>Rights granted under LTI Plan 2019/2021/2022 do not carry dividend rights, voting rights or rights to capital distributions prior to vesting.</p> <p>Shares issued upon vesting of the Rights will rank equally with all other Shares.</p>
Restrictions on dealing	<p>Participants in the LTI Plan 2019/2021/2022 must not sell, transfer, encumber or otherwise deal with Rights.</p> <p>Participants will be free to deal with the Shares allocated on vesting of Rights, subject to the requirements of the Company's Policy for Dealing in Securities.</p>
Cessation of employment	<p>If a participant ceases employment with the FDV Group due to resignation or termination for cause, all unvested Rights held by the participant will lapse unless the Board determines otherwise.</p> <p>If a participant ceases employment for any other reason, unless the Board determines otherwise, a pro rata portion of their unvested Rights (calculated by reference to the portion of the performance period that has elapsed up to the date of cessation) will remain on foot subject to the original vesting conditions for those Rights and will vest as if the participant had not ceased employment. The remainder of their unvested Rights will automatically lapse.</p>
Clawback and preventing inappropriate benefits	<p>Under the terms of any offers, the Board has 'clawback' powers which may be exercised if, among other things, the participant:</p> <ul style="list-style-type: none"> <li>• has acted unlawfully, fraudulently or dishonestly;</li> <li>• is in serious breach of their obligations in relation to the affairs of a FDV Group company;</li> <li>• has committed any act of fraud, defalcation, gross misconduct;</li> <li>• has acted in a manner which brings the Company or the FDV Group into disrepute;</li> <li>• has been convicted or have had judgment entered against them in connection with the FDV Group's affairs; or</li> <li>• has engaged in behaviour that may impact on the FDV Group's financial soundness or require re-statement of the FDV Group's financial accounts.</li> </ul>
Change of control	<p>Under the terms of the offers, the Board may determine that some or all of the Rights will vest on a change of control. If an actual change of control occurs before the Board exercises this discretion:</p> <ul style="list-style-type: none"> <li>• a pro rata portion of the Rights will vest, calculated based on the portion of the relevant performance period that has elapsed up to the date of the actual change of control; and</li> <li>• the Board retains a discretion to determine whether the remaining unvested Rights will vest or lapse.</li> </ul>

## Remuneration Report (cont'd)

### Rights Plan

#### **Key Management Personnel Remuneration**

The following table summarises the remuneration arrangements for the key management personnel in office at the end of the financial year for 2022. Details of remuneration of key management personnel and Directors are shown on Table B of this report.

<b>Name</b>	<b>Mr S Di Gregorio</b>	<b>Mr J Lau</b>	<b>Mr J Thoe</b>	<b>Ms S Lim</b>
Position	Chief Executive Officer	Chief Financial Officer	Chief Operating Officer	Group Human Resource Director
Term of employment	No fixed term	No fixed term	No fixed term	No fixed term
Notice period	6 months	3 months	3 months	3 months
Total employment cost	\$450,000 per annum	MYR446,200 per annum	MYR529,200 per annum	MYR277,200 per annum
Short term incentive	\$75,000 by cash or shares based on achievement of target portfolio revenue and EBITDA, optimisation of investment returns and the overall portfolio structure	25% based on 100% achievement of target portfolio revenue and EBITDA	40% based on 100% achievement of target portfolio revenue and EBITDA	20% based on 100% achievement of target portfolio revenue and EBITDA
Long term incentive under Rights Plan	-	LTI Plan 2021	LTI Plan 2019 & 2022	LTI Plan 2021
Termination by executive	6 months	3 months	3 months	3 months
Termination by company	6 months	3 months	3 months	3 months

## Remuneration Report (cont'd)

### Details of remuneration

The following tables show details of the nature and amount of each element of the remuneration paid or payable with respect to services provided by Directors of the Company and key management personnel of the Group who were in office at the end of the financial year.

### Remuneration of Directors and senior management (Table B)

2022										
Table B	Salary & Fees	Post employment benefits	Short term incentive payable in cash	Short term incentive payable in shares	Long term incentive payable in shares	Amortisation of Share Options*	Total	Short term incentive included in total remuneration	Short term incentive as a % of total remuneration	% of compensation for the year consisting of share options
	\$	\$	\$	\$	\$	\$	\$	\$	%	%
<b>Non exec Directors</b>										
Anthony Klok Mark Licciardo	121,403	-	-	-	-	14,456	135,859	-	0%	11%
Frances Po	60,000	-	-	-	-	-	60,000	-	0%	0%
	60,000	-	-	-	-	-	60,000	-	0%	0%
	241,403	-	-	-	-	14,456	255,859	-	0%	6%
<b>Key Management Personnel</b>										
S Di Gregorio	442,500	-	75,000	-	-	-	517,500	75,000	14%	0%
J Thoe	172,253	20,316	-	34,698	35,612	-	262,978	34,698	13%	0%
J Lau	151,871	17,921	19,105	-	22,921	-	211,818	19,105	9%	0%
S Lim	90,424	10,772	11,359	-	13,976	-	126,532	11,359	9%	0%
	857,148	49,008	105,464	34,698	72,510	-	1,118,828	140,162	13%	0%
Total	1,098,551	49,008	105,464	34,698	72,510	14,456	1,374,687	140,162	10%	1%
2021										
Table B	Salary & Fees	Post employment benefits	Short term incentive payable in cash	Short term incentive payable in shares	Long term incentive payable in shares	Share Rights & Amortisation of Share Options*	Total	Short term incentive included in total remuneration	Short term incentive as a % of total remuneration	% of compensation for the year consisting of rights
	\$	\$	\$	\$	\$	\$	\$	\$	%	%
<b>Non exec Directors</b>										
Anthony Klok Mark Licciardo	121,080	-	-	-	-	14,456	135,536	-	0%	11%
Frances Po	60,000	-	-	-	-	-	60,000	-	0%	0%
	8,864	-	-	-	-	-	8,864	-	0%	0%
	189,944	-	-	-	-	14,456	204,400	-	0%	7%
<b>Key Management Personnel</b>										
S Di Gregorio	442,500	-	75,000	-	-	-	517,500	75,000	14%	0%
J Thoe	164,207	19,345	-	105,357	38,519	-	327,429	105,357	32%	0%
J Lau (1)	60,649	7,153	-	-	5,991	-	73,793	-	0%	0%
S Lim	85,130	10,180	16,956	-	4,469	-	116,734	16,956	15%	0%
E Lim (2)	54,180	6,383	-	(28,728)	-	-	31,835	(28,728)	-90%	0%
	806,665	43,062	91,956	76,629	48,979	-	1,067,291	168,585	16%	0%
Total	996,609	43,062	91,956	76,629	48,979	14,456	1,271,691	168,585	13%	1%

\*Share based expenses relating to Share Options are derived from amortising the aggregate value of the share options over the vesting period. These charges do not reflect actual shares vested. Details of the share options are included in Page 20 of the Remuneration Report.

## Remuneration Report (cont'd)

### Remuneration of Directors and senior management (Table B) (cont'd)

No retirement benefits were paid to Directors or Key Management Personnel in either 2022 or 2021.

Mr M Licciardo, a director during the year, is also director of Acclime Corporate Services Pty Ltd, which was engaged to provide company secretarial services to the Company during the year for a fee of \$62,062 (2021: \$65,063).

- (1) Appointed on 2 August 2021
- (2) Resigned on 30 April 2021

### Share based payments to executives

Total remuneration to key management personnel included short term incentive payable in shares to executives of \$78,904 (2021: \$105,357).

On 25 February 2022, the Directors approved the issue of 61,124 (2021: 56,696) shares with a fair value of \$74,571 (2021: \$80,508) to Key Management Personnel who were in office at the end of the year, as part of the company executive incentive plan.

At the end of the financial year, \$128,753 (2021: \$64,226) in value of shares were yet to be issued to key management personnel. Based on the variable VWAP of shares over the period of service, a total of 132,293 (2021: 43,297) shares are outstanding to all key management personnel. The VWAP for the year ended 31 December 2022 was 97.32 cents (2021: 148.34 cents).

### Share based payments to Non-Executive Directors

By an agreement between the Company and each of the Non-Executive Directors, the Non-Executive Directors have agreed to provide services to the Company. The Non-Executive Directors will be remunerated either by cash or by FDV shares. During the financial year Directors' entitlement to shares vests monthly on a pro-rata basis provided they continue to be Directors of the Company at that time.

The remuneration of Non-Executive Directors for the year ended 31 December 2022 includes \$60,000 (2021: \$60,000) in value of shares which are yet to be issued to Non-Executive Directors. The number of shares in respect of the 2022 remuneration is based on the VWAP over the period of service. The VWAP for the year ended 31 December 2022 was 97.32 cents (2021: 148.34 cents).

A total of NIL (2021: 40,448) shares outstanding to all directors at the end of the financial year was determined using variable VWAP based on the period of service and is subject to shareholder approval at the next annual general meeting.

	2022			2021		
	Shares issued	Shares vested but not issued	Total	Shares issued	Shares vested but not issued	Total
Mark Licciardo	40,323	-	40,323	52,433	40,448	92,881
	40,323	-	40,323	52,433	40,448	92,881

In addition to remuneration benefits above, the Company paid a premium for a contract insuring all Directors of the Company and specified executives of the Group as officers. It is not possible to allocate the benefit of this premium between individual Directors or specified executives. In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the premium paid under the contract.

### Non-Executive Director Remuneration

The following persons were Non-Executive Directors of the Company at 31 December 2022:

Name	Position
Anthony Klok	Non-Executive Director
Mark Licciardo	Non-Executive Director
Frances Po	Non-Executive Director

## Remuneration Report (cont'd)

### Remuneration Policy

Fees are established from time to time for the Chairman, Deputy Chairman and Non-Executive Directors. The appointment letters for the Non-Executive Directors set out the terms and conditions of their appointments. These terms and conditions are in conjunction with, and subject to, the Company's Constitution and the charters and policies approved by the Board from time to time.

Each Non-Executive Director receives a fee for being a Director of the Company. These fees are either paid in cash or by the issue of FDV shares.

### Options

During 2019, Anthony Klok was invited to participate in a rights plan granting options over shares of the Company. The offer plan was approved at the Company's 2019 annual general meeting on 24 May 2019.

The key terms of the options are as follows:

Vesting period	From the Grant Date to the date that is 4 years from the Grant Date
Vesting conditions and vesting	Options granted under the plan will vest subject to satisfaction of vesting conditions, as determined by the Board and specified in the offer document.  The first tranche of the option will vest subject to Company's share price achieving a VWAP of \$1.00 or more for 10 continuous trading days during the Vesting Period.  The second tranche of option will vest subject to Company's shares price achieving a VWAP of \$1.25 or more for 10 continuous trading days during the Vesting Period.  The third tranche of option will vest subject to Company's shares price achieving a VWAP of \$1.50 or more for 10 continuous trading days during the Vesting Period.  As the Vesting Conditions were satisfied, all Options have vested and Mr Klok can exercise the Vested Options at any time from the date of the Options vest until the Options Expiry Date, after which time any unexercised Options will lapse.
Restrictions on dealing	There are no participation rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options without exercising the options.
Resignation	In the event that Mr Klok leaves the Company, unexercised options will be forfeited, subject to the Board determination.

Details of the options that were granted during the financial year are tabled below:

	Number of options granted during 2019	Grant date	Fair value per option at grant date	Exercise price per option	Expiry date	Number of options vested during 2020
			Cents	Cents		
Tranche 1	150,000	24 May 2019	13.39	84.00	23 May 2023	150,000
Tranche 2	150,000	24 May 2019	12.94	84.00	23 May 2023	150,000
Tranche 3	150,000	24 May 2019	12.19	84.00	23 May 2023	150,000

End of Remuneration Report

## Directors' Report

Signed in accordance with a resolution of the Directors made pursuant to s.298 (2) of the *Corporations Act 2001*.

On behalf of the Directors

**Dated 31 March 2023**



**Anthony Klok**  
Chairman

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF FRONTIER DIGITAL VENTURES LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

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

PKF

PKF BRISBANE AUDIT



SHAUN LINDEMANN  
PARTNER

BRISBANE  
31 MARCH 2023

PKF Brisbane Audit ABN 33 873 151 348

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
*for the year ended 31 December 2022*

		2022	2021
	Note	\$	\$
<b>Revenue</b>	<b>4</b>	59,160,527	51,412,158
Administrative expenses		(3,399,711)	(3,291,735)
Offline production costs		(14,607,701)	(10,241,069)
Employment expenses	<b>5</b>	(27,552,670)	(24,205,751)
Advertising and marketing expenses		(9,360,771)	(9,325,696)
Premises and infrastructure expenses		(7,200,037)	(7,828,515)
Transaction advisory costs		(184,599)	(728,418)
Other expenses	<b>6</b>	(1,552,157)	(1,424,031)
Foreign exchange gain/(loss)		(326,805)	8,169,898
Depreciation and amortisation		(10,839,190)	(11,755,150)
<b>Operating profit/(loss)</b>		<b>(15,863,180)</b>	<b>(9,218,309)</b>
Interest income		224,547	110,253
Interest expense		(164,995)	(520,760)
Fair value on contingent consideration of Infocasas	<b>21</b>	4,516,844	(11,750,239)
Fair value on contingent consideration of E24	<b>21</b>	2,109,612	-
Gain from deemed disposal of Associate shareholding		-	1,066,718
Loss on disposal of subsidiaries	<b>4</b>	(921,710)	-
Impairment of goodwill	<b>15</b>	(1,403,797)	(459,218)
Net effect of loss and subsequent gain of control of iMyanmarhouse		-	(542,800)
Share of net profit/(loss) from associates			
- Share of net profit/(loss) before foreign exchange gain/(loss)	<b>16(ii)</b>	1,178,781	1,501,643
- Share of foreign exchange gain/(loss)	<b>16(ii)</b>	(2,166,023)	82,696
		(987,242)	1,584,339
<b>Profit/(Loss) before income tax</b>		<b>(12,489,921)</b>	<b>(19,730,016)</b>
Income tax benefit	<b>7</b>	798,889	220,912
<b>Net profit/(loss) after tax</b>		<b>(11,691,032)</b>	<b>(19,509,104)</b>
<b>Other comprehensive income, net of tax</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		2,390,524	(2,031,380)
Share of other comprehensive income of associates	<b>16(ii)</b>	372,390	742,266
Other comprehensive income for the period, net of tax		2,762,914	(1,289,114)
<b>Total comprehensive profit/(loss) for the year</b>		<b>(8,928,118)</b>	<b>(20,798,218)</b>

Notes to the financial statements are included on pages 29 to 73.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)**  
*for the year ended 31 December 2022*

	Note	2022 \$	2021 \$
<b>Profit/(Loss) attributable to:</b>			
Owners of the Company		(10,236,938)	(15,104,455)
Non-controlling interests		(1,454,094)	(4,404,649)
		<b>(11,691,032)</b>	<b>(19,509,104)</b>
<b>Total comprehensive profit/(loss) attributable to:</b>			
Owners of the Company		(8,894,777)	(16,847,781)
Non-controlling interests		(33,341)	(3,950,437)
		<b>(8,928,118)</b>	<b>(20,798,218)</b>
		<b>Cents</b>	<b>Cents</b>
<b>Profit/(Loss) per share for loss attributable to the ordinary equity holders of the Company:</b>			
Basic loss per share	8	(2.70)	(4.40)
Diluted loss per share	8	(2.70)	(4.40)

Notes to the financial statements are included on pages 29 to 72.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*As at 31 December 2022*

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	16,577,594	36,120,322
Term deposits	9	10,044,067	61,163
Trade and other receivables	10	13,993,104	14,314,857
Other assets		13,688	20,353
Other financial assets	11	1,268,876	1,113,565
Tax receivables		307,815	110,692
<b>Total current assets</b>		<b>42,205,144</b>	<b>51,740,952</b>
<b>Non-current assets</b>			
Property, plant and equipment	12	1,853,759	2,196,615
Right-of-use assets	13	856,756	1,101,781
Other intangible assets	14	18,561,364	22,284,151
Goodwill	15	96,709,715	94,085,151
Investments in Associates	16	8,723,549	8,798,400
Deferred tax assets		115,560	129,709
<b>Total non-current assets</b>		<b>126,820,703</b>	<b>128,595,807</b>
<b>Total assets</b>		<b>169,025,847</b>	<b>180,336,759</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	19	17,296,080	14,369,813
Borrowings	20	190,416	457,714
Billings in advance		2,562,728	3,746,809
Current lease liabilities	13	985,357	771,526
Contingent consideration	21	34,115,355	16,004,559
<b>Total current liabilities</b>		<b>55,149,936</b>	<b>35,350,421</b>
<b>Non-current liabilities</b>			
Deferred tax liability	7	2,250,369	3,496,858
Borrowings	20	169,044	46,057
Non-current lease liabilities	13	142,335	346,858
Long term contingent consideration	21	-	38,386,014
<b>Total non-current liabilities</b>		<b>2,561,748</b>	<b>42,275,787</b>
<b>Total liabilities</b>		<b>57,711,684</b>	<b>77,626,208</b>
<b>NET ASSETS</b>		<b>111,314,163</b>	<b>102,710,551</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**  
*As at 31 December 2022*

	Note	2022 \$	2021 \$
<b>EQUITY</b>			
Share capital	22	236,192,945	218,918,649
Reserves	23	(55,490,093)	(57,089,690)
Accumulated losses		(66,555,073)	(56,318,133)
		114,147,779	105,510,826
Non-controlling interests		(2,833,616)	(2,800,275)
<b>TOTAL EQUITY</b>		<b>111,314,163</b>	<b>102,710,551</b>

Notes to the financial statements are included on pages 29 to 73.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**As at 31 December 2022**

Note	<-----Attributable to owners of the Company----->							
	Share capital	Share rights plan reserves	Other equity	Foreign currency translation reserves	Accumulated losses	Total	Non-controlling interests	Total equity
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at 1 January 2021</b>	<b>184,809,420</b>	<b>51,624</b>	<b>4,179,793</b>	<b>3,051,649</b>	<b>(41,213,678)</b>	<b>150,878,808</b>	<b>(318,167)</b>	<b>150,560,641</b>
Loss for the year	-	-	-	-	(15,104,455)	(15,104,455)	(4,404,649)	(19,509,104)
Foreign currency translation differences	-	-	-	(1,743,326)	-	(1,743,326)	454,212	(1,289,114)
Total comprehensive loss for the year	-	-	-	(1,743,326)	(15,104,455)	(16,847,781)	(3,950,437)	(20,798,218)
Shares issued during the year	22 35,000,000	-	-	-	-	35,000,000	-	35,000,000
Net effect of loss and subsequent gain of control of iMyanmarhouse	-	-	-	-	-	-	247,126	247,126
Increase in shareholding in subsidiaries	-	-	(63,178,110)	-	-	(63,178,110)	997,643	(62,180,467)
Decrease in shareholding in subsidiaries	-	-	332,559	-	-	332,559	223,560	556,119
Transaction costs relating to shares issued	22 (1,058,167)	-	-	-	-	(1,058,167)	-	(1,058,167)
Share based payments	24 167,396	216,121	-	-	-	383,517	-	383,517
<b>Balance as at 31 December 2021</b>	<b>218,918,649</b>	<b>267,745</b>	<b>(58,665,758)</b>	<b>1,308,323</b>	<b>(56,318,133)</b>	<b>105,510,826</b>	<b>(2,800,275)</b>	<b>102,710,551</b>
<b>Balance as at 1 January 2022</b>	<b>218,918,649</b>	<b>267,745</b>	<b>(58,665,758)</b>	<b>1,308,323</b>	<b>(56,318,133)</b>	<b>105,510,826</b>	<b>(2,800,275)</b>	<b>102,710,551</b>
Loss for the year	-	-	-	-	(10,236,940)	(10,236,940)	(1,454,094)	(11,691,034)
Foreign currency translation differences	-	-	-	1,342,164	-	1,342,164	1,420,753	2,762,917
Total comprehensive loss for the year	-	-	-	1,342,164	(10,236,940)	(8,894,776)	(33,341)	(8,928,117)
Shares issued during the year	22 18,943,000	-	-	-	-	18,943,000	-	18,943,000
Transaction costs relating to shares issued	22 (2,160,358)	-	-	-	-	(2,160,358)	-	(2,160,358)
Share based payments	24 491,654	317,433	(60,000)	-	-	749,087	-	749,087
<b>Balance as at 31 December 2022</b>	<b>236,192,945</b>	<b>585,178</b>	<b>(58,725,758)</b>	<b>2,650,487</b>	<b>(66,555,073)</b>	<b>114,147,779</b>	<b>(2,833,616)</b>	<b>111,314,163</b>

Notes to the financial statements are included on pages 29 to 73.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the financial year ended 31 December 2022

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Cash used in operations		(2,521,645)	(5,541,272)
Interest paid		(164,995)	(140,248)
Interest received		138,070	29,198
<b>Net cash outflow from operating activities</b>	27	<b>(2,548,570)</b>	<b>(5,652,322)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	12	(465,318)	(802,506)
Purchase of other intangible assets	14	(5,228,658)	(2,576,468)
Proceeds from disposal of property, plant and equipment		9,302	57,782
Investments in associates	16	-	(1,330,734)
Payment for acquisition of subsidiaries	21	-	(47,326,272)
Settlement of contingent consideration		(16,070,397)	-
Cash acquired on acquisition of subsidiaries		-	1,904,542
Net cash effect on loss and subsequent gain of control of iMyanmarhouse	34	-	(99,865)
Net investment in term deposits		(10,000,000)	-
<b>Net cash outflow from investing activities</b>		<b>(31,755,071)</b>	<b>(50,173,521)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares	22	18,943,000	35,000,000
Payment of capitalised transaction costs related to issuance of shares	22	(2,160,359)	(1,058,167)
Payment of borrowings		(171,306)	(77,182)
Cash payments of lease liabilities principal		(493,488)	(572,052)
<b>Net cash inflow from financing activities</b>		<b>16,117,848</b>	<b>33,292,599</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(18,185,793)</b>	<b>(22,533,244)</b>
<b>Cash and cash equivalents as at 1 January</b>		<b>36,120,322</b>	<b>59,159,608</b>
Effects of exchange rate changes on cash and cash equivalents		(1,356,935)	(506,042)
<b>Cash and cash equivalents as at 31 December</b>	9	<b>16,577,594</b>	<b>36,120,322</b>

Notes to the financial statements are included on pages 29 to 73.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. General information

The financial statements for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution on the 31 March 2023.

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.

The registered office of the Company is located at Level 7, 330 Collins Street, Melbourne VIC 3000.

The principal place of business of the Company is located at 39-8, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

### 2. Summary of significant accounting policies

#### Going Concern

For the 12 months ended 31 December 2022, the consolidated group made a loss after tax of \$11.7m (31 December 2021: \$19.5m loss) and had net current liabilities of \$12.9m (31 December 2021: \$16.4m net current assets).

The annual financial report has been prepared on a going concern basis, which takes into account the Group's assets and liabilities and assumes continuity of normal business operations. The Directors have approved a cash flow forecast covering the period through to March 2024 which supports the going concern basis, and includes key assumptions relating to:

- Net cash inflows from underlying controlled entities anticipated to be generated over the forecast period;
- Prudent cash management focusing on optimising cash collections, implementing further cost and procurement controls throughout the wider Group; and
- Facilitating payment of contingent considerations relating to Infocasas and E24 commencing from April 2023, including raising sufficient additional capital and completing equity swaps of these payments by their due dates, as required.

As a result, the Directors are of the opinion that the use of the going concern assumption is appropriate.

#### Statement of compliance

The financial report is a general-purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) and complies with other requirements of the law.

These financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements were authorised for issue by the Directors on 31 March 2023. The Directors have the power to amend and reissue the financial report.

#### Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical cost, except for financial instruments measured at fair value through profit or loss. All amounts are presented in Australian dollars and are rounded to the nearest dollar unless otherwise stated.

The preparation of the financial statements requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

The accounting policies set out below have been consistently applied to all years, except for the impact of the Standards and Interpretations described below.

## 2. Summary of significant accounting policies (cont'd)

### Adoption of new and revised Accounting Standards

#### Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are mandatory for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual improvements 2018-2020 and Other Amendments* [AASB 1, AASB 3, AASB 116, AASB 137 & AASB 141]
- AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* [AASB 10 & AASB 128], AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128* and AASB 2017-5 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*

The adoption of new and revised Standards and amendments did not have a material impact on the financial statements of the Group.

#### New and revised Australian Accounting Standards and Interpretations in issue but not yet effective

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

<b>Standards/amendment</b>	<b>Effective for annual reporting periods beginning on or after</b>	<b>Expected to be initially applied in the financial year ending</b>
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i> [AASB 101] AASB 2020-6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i> [AASB 101]	1 January 2023	31 December 2023
AASB 2021-2 <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i> [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]	1 January 2023	31 December 2023
AASB 2021-5 <i>Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> [AASB 112]	1 January 2023	31 December 2023

The potential impact of the revised Standards/Interpretations on the Company's financial statements has not yet been determined.

## 2. Summary of significant accounting policies (cont'd)

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

### a) Principles of consolidation and equity accounting

The consolidated financial statements comprise the financial statements of Frontier Digital Ventures Limited, the Company, and its subsidiaries (referred to as the "Group" in these financial statements). Control is achieved where the Group is exposed, or has rights, to variable returns from its investment with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from the involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

#### (i) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group (note 2(b)). Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

#### (ii) *Associates*

Associates are all entities over which the group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, see Note 16, after initially being recognised at cost.

#### (iii) *Equity method*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

## 2. Summary of significant accounting policies (cont'd)

### a) Principles of consolidation and equity accounting (cont'd)

#### (iii) Equity method (cont'd)

Goodwill is included in the carrying amount of the investment and is not tested for impairment individually. Instead, the entire carrying amount of the investment is tested for impairment as a single asset annually and/or when there is objective evidence of impairment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in see Note 2(k).

#### (iv) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a joint venture, associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

### b) Business combinations

Business combinations are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the income statement as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement are measured at the acquisition date fair value and any adjustments to the fair value are recognised in the income statement.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 are recognised at their fair value at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

### c) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian Dollars, which is the Parent Company's functional and presentation currency.

## 2. Summary of significant accounting policies (cont'd)

### c) Foreign currency translation (cont'd)

#### (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

#### (iii) *Group companies*

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### d) Revenue recognition

The Group recognises revenue from the following major sources:

- Classified subscription revenue; and
- Transaction commission revenue.

Revenue is measured based on the consideration to which the Group is entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

#### *Classified subscription revenue*

The Group provides classified subscription services that provide customers the ability to publish advertisements for sale items on websites operated by the Group over a specific term. Such services are recognised as a performance obligation satisfied over time. Revenue is recognised for these subscription services is recognized uniformly over the term of the contract. Payment for classified subscription services are usually received upfront and deferred over the term of the contract. Amounts deferred are reported as "Billings in advance" in the Consolidated Statement of Financial Position.

#### *Transaction commission revenue*

The Group receives transaction revenue for services provided to customers in order to secure a sale of their asset. The performance obligation is recognized at the point in time that the transaction has been completed and the asset's ownership has transferred from the customer to a third party. Completed transactions cannot be cancelled and are non-refundable. Payment is usually received after the services are completed.

Amounts received on transaction commission revenue is recognised on a net basis as the Group acts as an agent to these transactions.

The disaggregation of revenue is presented in the segment note (Note 4) which presents operations by website and geographic region (disclosed in Notes 16 and 17) which is considered to best reflect the nature, amount, timing and uncertainty of revenue and cash flows affected by economic factors. Disaggregation by recognition over time or at a point in time has been considered immaterial based on the average term of the Group's contracts.

## 2. Summary of significant accounting policies (cont'd)

### e) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required, and they are capable of being measured reliably. Amounts expected to be paid under short term incentive plans are recognised if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by employees.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting period.

#### *Share-based payments*

The fair value of share rights granted to employees is recognised as an employee benefit expense over the vesting period, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which excludes the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest which are revised at the end of each reporting period. The impact of the revision to original estimates, if any, is recognised in the consolidated statement of comprehensive income, with a corresponding adjustment to equity. The fair value is measured at grant date and the expense recognised over the life of the plan.

### f) Financial instruments

#### *Recognition and Derecognition*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

#### *Financial assets*

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### *Classification of Financial assets*

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group does not have any debt instruments at fair value through other comprehensive income (FVTOCI).

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the entity may make the following irrevocable election / designation at initial recognition of a financial asset:

- The entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The entity may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

#### *Initial measurement of financial assets*

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs.

## 2. Summary of significant accounting policies (cont'd)

### f) Financial instruments (cont'd)

#### *Subsequent measurement of financial assets*

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI
- Financial assets at FVTPL

#### (i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

#### (ii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

#### *Impairment of financial assets*

The entity recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

#### *Trade and other receivables and contract assets*

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

#### *Financial liabilities*

##### *Financial liabilities at FVTPL*

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

### g) Disposal groups held for sale and discontinued operations

Disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale, interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

## 2. Summary of significant accounting policies (cont'd)

### g) Disposal groups held for sale and discontinued operations (cont'd)

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view of resale. The results of discontinued operations are presented separately in the statement of profit or loss.

### h) Property, plant and equipment

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment. Depreciation is calculated using either straight line or diminishing value based on the assessed appropriateness of each method for each entity within the Company. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The following estimated useful lives are used in the calculation of depreciation on a straight-line basis:

	<u>Useful lives</u>
Buildings	38 years
Computer equipment	3 years
Leasehold improvements	Life of lease
Motor vehicles	5 years
Office equipment, furniture & fittings	5 years
Plant and machinery	5 years

### i) Leases

#### *The Group as lessee*

The Group assess whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentive receivables;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

## 2. Summary of significant accounting policies (cont'd)

### i) Leases (cont'd)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guarantee residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of non-financial assets' policy.

Variable rents that do not depend on index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Premises and infrastructure expenses' in profit or loss.

As a practical expedient, AASB 16 permits a lessee not to separate non-lease components, and instead of account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

### j) Intangible assets

#### *Goodwill*

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

#### *Other intangible assets*

Brands and other website development costs acquired in a business combination are recognised at fair value. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

## 2. Summary of significant accounting policies (cont'd)

### j) Intangible assets (cont'd)

Directly attributable costs that are capitalised as part of software and website development include employee costs. Capitalised development costs are recorded as intangible assets and amortised on a straight line basis from the point at which the asset is ready for use.

	<u>Useful lives</u>
Brands	5 years
Customer lists	2 years
Non competes	3 years
Software development costs	5 years
Website development costs	3 years

### k) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### l) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

### m) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### n) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

The financial performances of each operating segment are disclosed in Note 4 Segment information and Note 16 Investments in associates.

### o) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 2. Summary of significant accounting policies (cont'd)

### p) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

### q) Income taxes

#### *Current tax*

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period in the countries where the Group operates and generates taxable income. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

#### *Deferred tax*

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet at the reporting date. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### 3. Significant accounting estimates and assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Determining the functional currency

Some subsidiaries of the Group operate in overseas jurisdictions but conduct transactions in multiple currencies. Judgement is applied in determining the functional currency.

The Group uses the currency of sales and purchases to determine functional currency for the Operating Companies. In most cases this is the same as the currency of the related jurisdiction.

There are a number of intermediary entities between the Parent and the Operating Companies and the Group uses, in a hierarchy, the currency in which consideration is payable for the investment holding as the primary basis, followed by purchase and operating expense indicators, and in the event that those indicators are not conclusive, the currency in which borrowings and other funds are raised for financing the operations.

(ii) Control over an investee

There are a number of factors considered in determining control over an investee and these are outlined at Note 2(a). A key component of the Company's assessment of control over an investee is the Company's power to direct the relevant activities of these companies. The Group achieves accounting control over these investees through Key Special Majority Matters which results in the Group's absolute and unfettered discretion over operational matters, significant to the Group's ability to direct the business activities of the investments. Accordingly, these companies are treated as subsidiaries and their results consolidated in the presentation of the Group's Consolidated Financial Statements.

Name of business acquired	Principal activity	Date of Acquisition	Percentage of shares held at 31 December 2022 %
AutoDeal	Operator of online car classifieds portals	1 June 2017	55.79%
Avito	Operator of online general classifieds portals	5 November 2020	100.00%
CarsDB	Operator of online car classifieds portals	26 August 2016	61.61%
Encuentra24	Operator of online general classifieds portals	26 August 2016	100.00%
Fincaraiz	Operator of online property classifieds portal	5 November 2020	100.00%
Hoppler	Operator of online property classifieds portal	5 October 2017	51.05%
iMyanmarhouse	Operator of online property classifieds portal	26 August 2016	52.63%
Infocasas	Operator of online property classifieds portal	16 December 2019	100.00%
LankaPropertyWeb	Operator of online property classifieds portal	26 August 2016	53.01%
Moteur	Operator of online car classifieds portals	20 January 2021	100.00%
PropertyPro	Operator of online property classifieds portal	13 May 2016	39.48%
Tayara	Operator of online general classifieds portals	5 November 2020	100.00%
Yapo	Operator of online general classifieds portals	24 February 2021	100.00%

### 3. Significant accounting estimates and assumptions (cont'd)

(iii) Joint control or significant influence over the investee

As disclosed in Note 16, the Group holds equity interest between 20% and 50% of certain companies. Although the Group is represented on the Board of Directors of these companies and actively participates in the strategic policy decisions in Executive Committee meetings, it is unable to direct the decisions arrived at in these meetings. On this basis, the Group concludes that it exercises significant influence over these companies and thus treats these companies as associates.

(iv) Valuation technique

The finance department of the Group performs the valuations of non-property items required for financial reporting purposes.

The main areas of significant accounting estimates used by the Group in relation to valuations are derived and evaluated as follows:

a) In present value calculations

- Discount rates for financial assets and financial liabilities are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.
- Specific risk adjustments are derived from credit risk gradings incorporating country risk premiums.

b) In purchase price allocation for business combinations

- Valuation of brands
  - Relief from royalty method applied.
  - Revenue growth factor for unlisted equity securities are estimated based on the Group's expectations from past experience of similar types of companies and specific knowledge of each investment.
- Valuation of website and software development costs
  - Based on replacement cost derived from estimated man hours and cost per hour.

(v) Impairment of non-financial assets

The Group assesses impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount. This assessment of impairment is carried out on the carrying value of investments in associated companies as well as the carrying value of goodwill on acquisitions. For the purpose of assessing impairment, assets (including goodwill) are grouped at the lowest level where there are separately identifiable cash flows (cash-generating units).

Recoverable amount is measured at the higher of the fair value less cost of disposal for that asset and its value-in-use. Management has determined recoverable amounts by assessing fair value less cost of disposal based on management's measured and reasonable expectation of selling price achievable in the open market. In doing so, a range of possible discounted cash flow scenarios are modelled over 5 years with a revenue multiple, appropriate for the markets the CGUs operate, applied to terminal year revenue.

The valuation is considered to be level 2 and level 3 in the fair value hierarchy due to combination of observable and unobservable inputs used in the valuation.

(vi) Useful lives of other intangible assets

The Group estimates the useful lives to amortise other intangible assets based on the future performance of the assets acquired and management's judgement of the period over which economic benefits will be derived from the assets. The estimated useful lives of other intangible assets are reviewed periodically, taking into consideration factors such as changes in technology. The amount and timing of recorded expenses for any period would be affected by changes in the estimates. A reduction in the estimated useful lives of the other intangible assets would increase the recorded expenses and decrease the non-current assets. The carrying amounts of the other intangible assets are disclosed Note 14.

#### 4. 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 is reviewed separately.

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

- Autodeal.com.ph
- Avito.ma
- CarsDB.com
- Encuentra24.com
- Fincaraiz.com.co
- Hoppler.com.ph
- iMyanmarhouse.com
- Infocasas (infocasas.com.uy; infocasas.com.py; infocasas.com.bo and casaseneleste.com)
- LankaPropertyWeb.com
- Meqasa.com \*
- Moteur.ma
- Propertypro.ng
- Tayara.tn
- Yapo.cl
- 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 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 16.

#### 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	
	2022 \$	2021 \$	2022 \$	2021 \$
<b>Continuing Operations</b>				
Autodeal	1,985,293	1,824,608	158,797	106,543
Avito	6,831,585	6,643,707	(1,396,386)	(1,884,224)
CarsDB	257,848	117,130	(160,121)	(177,598)
Encuentra24	9,762,049	8,334,373	710,191	182,632
Fincaraiz	8,924,499	8,467,156	949,510	542,590
Hoppler	631,991	557,576	(528,516)	33,212
iMyanmarhouse	1,314,563	593,177	260,418	139,479
Infocasas	18,023,791	13,626,840	220,796	735,927
LankaPropertyWeb	798,430	714,473	96,049	(38,323)
Meqasa (*)	327,638	343,345	60,993	95,572
Moteur	603,796	710,914	72,044	95,377
PropertyPro	510,572	508,167	(30,601)	(71,547)
Tayara	718,472	850,174	(537,971)	(577,578)
Yapo	8,469,900	8,120,518	(1,127,259)	(195,817)
Corporate (and consolidation)	-	-	(3,129,000)	(4,636,788)
<b>Segment Revenue and adjusted EBITDA from continuing operations</b>	<b>59,160,527</b>	<b>51,412,158</b>	<b>(4,262,837)</b>	<b>(5,650,543)</b>

(\*) During the financial year ended 31 December 2022 the Group disposed of its share in entities associated with the Meqasa segment, resulting in a loss of disposal of \$783,471. The assets and liabilities, and financial operations of Meqasa for the period was not deemed to be material to the Group and accordingly, not reclassified and disclosed as discontinued operations.

4. Segment Information (cont'd)

	Revenue		Segment Results	
	2022 \$	2021 \$	2022 \$	2021 \$
<b>Continuing Operations</b>				
<b>Segment Revenue and adjusted EBITDA from continuing operations</b>	<b>59,160,527</b>	<b>51,412,158</b>	<b>(4,262,837)</b>	<b>(5,650,543)</b>
Equity settled share-based payments	-	-	(434,348)	(323,517)
Unrealised currency exchange differences	-	-	(326,805)	8,510,901
Depreciation and amortisation	-	-	(10,839,190)	(11,755,150)
Fair value on contingent consideration of E24	-	-	2,109,612	-
Fair value on contingent consideration of Infocasas	-	-	4,516,844	(11,750,239)
Gain on deemed disposal of Associate (step acquisition)	-	-	-	1,066,718
Impairment of goodwill	-	-	(1,403,797)	(459,218)
Loss on disposal of subsidiaries	-	-	(921,710)	-
Net effect of loss and subsequent gain of control of iMyanmarhouse	-	-	-	(542,800)
Share of net loss of associates				
- Share of net loss before foreign exchange gain/(loss)	-	-	1,178,781	1,501,643
- Share of unrealised foreign exchange gain/(loss)	-	-	(2,166,023)	82,696
Net interest	-	-	59,552	(410,507)
Income tax credit	-	-	798,889	220,912
<b>Consolidated segment revenue and net loss for the year from continuing operations</b>	<b>59,160,527</b>	<b>51,412,158</b>	<b>(11,691,032)</b>	<b>(19,509,104)</b>
Loss on disposal after income tax	-	-	-	-
<b>Consolidated segment revenue and net loss for the year</b>	<b>59,160,527</b>	<b>51,412,158</b>	<b>(11,691,032)</b>	<b>(19,509,104)</b>

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 2022 or 2021.

**Segment assets**

	Segment assets	
	2022 \$	2021 \$
Autodeal	4,204,672	4,074,002
Avito	21,533,718	23,900,773
CarsDB	3,159,527	3,021,985
Encuentra24	8,442,430	10,070,881
Fincaraiz	35,005,382	34,321,280
Hoppler	1,729,625	2,029,503
iMyanmarhouse	3,301,522	2,855,861
Infocasas	19,392,522	17,343,228
LankaPropertyWeb	754,206	831,703
Meqasa	-	2,046,881
Moteur	4,332,001	4,168,413
PropertyPro	1,103,051	1,062,091
Tayara	3,561,942	4,698,014
Yapo	30,928,916	29,362,516
Corporate (and consolidation)	31,576,333	40,549,628
<b>Consolidated total assets</b>	<b>169,025,847</b>	<b>180,336,759</b>

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 15 and 14.

#### 4. Segment Information (cont'd)

##### Segment liabilities

	Segment liabilities	
	2022	2021
	\$	\$
Autodeal	574,557	586,323
Avito	4,703,293	5,866,115
CarsDB	400,147	361,359
Encuentra24	1,485,100	1,541,186
Fincaraiz	3,048,738	3,032,125
Hoppler	584,303	741,599
iMyanmarhouse	385,792	172,741
Infocasas	5,317,743	3,794,903
LankaPropertyWeb	106,779	150,462
Meqasa	-	175,641
Moteur	315,478	274,579
PropertyPro	368,539	291,881
Tayara	256,861	488,149
Yapo	3,626,562	3,530,928
Corporate (and consolidation)	36,537,792	56,618,217
<b>Consolidated total liabilities</b>	<b>57,711,684</b>	<b>77,626,208</b>

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than interests in associates, 'other financial assets' and current and deferred tax assets. Assets used by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- All liabilities are allocated to reportable segments other than borrowings, 'other financial liabilities', current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

#### 5. Employment expenses

	2022	2021
	\$	\$
Salaries and wages	20,339,782	18,993,236
Employer statutory contribution and pension related	2,139,349	426,091
Social contribution	1,571,313	1,595,345
Others	2,236,203	2,315,941
Directors' fees	725,717	551,621
	27,012,365	23,882,234
Equity settled share-based payments	540,306	323,517
Total employee benefit expense	27,552,670	24,205,751

#### 6. Other expenses

Included in the other expenses is the provision of expected credit loss on trade receivables of \$1,026,728 (2021: \$856,052).

## 7. Income tax

### Income tax recognised in profit or loss

	2022	2021
	\$	\$
Tax expense attributable to profit is made up of:		
- Current income tax expense	547,591	1,015,601
- Deferred tax credit	(1,346,480)	(1,236,513)
Income tax credit	<u>(798,889)</u>	<u>(220,912)</u>

The income tax expense for the year can be reconciled to the accounting loss as follows:

	2022	2021
	\$	\$
Loss before income tax is made up of:		
- Continuing operations	(12,489,920)	(19,730,016)
- Discontinued operations	-	-
	<u>(12,489,920)</u>	<u>(19,730,016)</u>
Tax at the Australian tax rate 30% (2021: 30%)	(3,746,976)	(5,919,005)
Tax effect of amounts which are not deductible in calculating taxable income:		
Difference in overseas tax rate	(349,270)	421,594
Non-deductible charges	1,616,845	(1,133,152)
Gains from deemed disposal due to accounting treatment	-	(181,342)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	3,571,609	6,884,848
Utilisation of brought forward losses	<u>(1,891,097)</u>	<u>(293,855)</u>
	<u>(798,889)</u>	<u>(220,912)</u>

The tax rate used for the 2022 and 2021 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

### Unrecognised deferred tax assets

#### *Share issue costs*

A deferred tax asset has not been recognised in relation to deferred share issue costs (which have been recognised directly into share capital) because, in the opinion of the Directors, it is not probable that sufficient taxable income will be generated to utilise the future deductions.

#### *Carry forward losses*

A deferred tax asset has not been recognised in relation to the carry forward taxation losses and temporary differences due to insufficient sources of taxable income to utilise the losses and/or future deductions.

## 7. Income tax (cont'd)

	2022	2021
	\$	\$
Temporary differences	5,820,030	4,152,940
Tax losses - Revenue	11,797,280	12,977,511
Share issue costs deferred	988,548	988,548
	<u>18,605,858</u>	<u>18,118,999</u>

### Tax related contingencies

The Group anticipates that tax audits may occur in the future and the Group is subject to routine tax audits in certain overseas jurisdictions. The ultimate outcome of any future tax audits cannot be determined with an acceptable degree of reliability at this time. Nevertheless, the Group believes that it is making adequate provision for its taxation liabilities (including amounts shown as current tax liabilities) and is taking reasonable steps to address potentially contentious issues with tax authorities. However, there may be an impact to the Group if any of the tax authority investigations result in an adjustment that increases the Group's taxation liabilities.

### Deferred tax liabilities

At 31 December 2022, there was a deferred tax liability of \$2,250,369 (2021: 3,496,858) for temporary differences primarily relating to amortisation of intangibles.

These taxable timing differences are temporary, and the Group anticipates settling its tax liability in the future. In some of the countries in which the Group operates, local tax laws differ on timing of amortisation.

## 8. Earnings per share

	2022	2021
	\$	\$
<b>Earnings per share</b>		
Loss attributable to the ordinary equity holders of the company used in calculating earnings per share:		
From continuing operations	(10,236,937)	(15,104,455)
	<u>(10,236,937)</u>	<u>(15,104,455)</u>

	2022	2021
	Number of Shares	Number of shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	378,565,406	343,509,113
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	378,565,406	343,509,113

During 2022, there were no potential ordinary shares that are considered dilutive as they did not meet the requirements for inclusion as per AASB 133 *Earnings per share* since the Group generated a loss during the 2022 financial year.

	2022	2021
	Cents	cents
<b>Basic earnings per share</b>		
From continuing operations attributable to the ordinary equity holders of the company	(2.70)	(4.40)
<b>Total basic earnings per share attributable to the ordinary equity holders of the company</b>	<u>(2.70)</u>	<u>(4.40)</u>
<b>Diluted earnings per share</b>		
From continuing operations attributable to the ordinary equity holders of the company	(2.70)	(4.40)
<b>Total diluted earnings per share attributable to the ordinary equity holders of the company</b>	<u>(2.70)</u>	<u>(4.40)</u>

**9. Cash and cash equivalents and term deposits**

	2022	2021
	\$	\$
Cash at bank and in hand	16,577,594	36,120,322
Term deposits	10,044,067	61,163

Term deposits as at 31 December 2022 matured in March 2023.

**10. Trade and other receivables**

	2022	2021
	\$	\$
Trade receivables	22,365,613	21,731,187
Less: Expected credit loss	(11,196,622)	(9,628,288)
	11,168,991	12,102,899
<b>Other receivables</b>		
Other receivables	1,591,114	1,207,668
Prepayments	1,075,578	848,671
Deposits	157,421	155,619
	2,824,113	2,211,958
	13,993,104	14,314,857

*Expected credit loss ("ECL")*

The average credit period on services provided is ranging from 15 to 30 days. No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group has recognised a loss allowance of 100% against all receivables over 365 days past due because historical experience has indicated that these receivables are generally not recoverable.

The Group has increased the expected loss rates for trade receivables from the prior year based on its judgement of the impact of current economic conditions including the impact of COVID-19 pandemic in the countries the Group operates. There has been no change in the estimation techniques during the current reporting period.

The following table shows the movements in lifetime ECL that has been recognised in trade receivables:

	2022	2021
	\$	\$
Balance as at 1 January	(9,628,288)	(7,054,809)
ECL related to new subsidiaries acquired during the year	-	(1,670,089)
Net remeasurement of the loss allowance	(1,026,728)	(856,052)
Exchange difference	(541,606)	(47,338)
Balance as at 31 December	(11,196,622)	(9,628,288)

## 11. Other financial assets

Included in Other financial assets is US\$865,123 (AUD equivalent \$1,268,876) (2021: US\$805,123 (AUD equivalent \$1,113,565)) of convertible loan notes issued by Pakwheels Pte Ltd ("Pakwheels"), an associate company.

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 financial asset is classified as fair value through profit or loss.

The convertible loan notes matured on 3 October 2022 and is in progress of being renegotiated.

## 12. Property, plant and equipment

	2022	2021
	\$	\$
<b>Buildings</b>		
At cost	387,181	425,663
Less: Accumulated depreciation	(15,147)	(10,400)
	372,034	415,263
<b>Computer equipment</b>		
At cost	2,414,114	2,183,624
Less: Accumulated depreciation	(1,813,008)	(1,429,953)
	601,106	753,671
<b>Office equipment, furniture &amp; fittings</b>		
At cost	1,363,952	1,299,831
Less: Accumulated depreciation	(759,141)	(622,757)
	604,811	677,074
<b>Leasehold improvements</b>		
At cost	1,133,936	998,767
Less: Accumulated depreciation	(938,453)	(725,381)
	195,483	273,386
<b>Motor vehicles</b>		
At cost	178,094	103,162
Less: Accumulated depreciation	(97,769)	(72,480)
	80,325	30,682
<b>Plant and machinery</b>		
At cost	21,129	21,709
Less: Accumulated depreciation	(21,129)	(21,709)
	-	-
<b>Capital work-in-progress</b>		
At cost	-	46,539
<b>Total Property, Plant and Equipment</b>	<b>1,853,759</b>	<b>2,196,615</b>

**12. Property, plant and equipment (cont'd)**

	Buildings	Computer equipment	Office equipment, furniture & fittings	Leasehold improvements	Motor vehicles	Plant and machinery	Capital work-in progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
At 1 Jan 2021	427,994	541,676	664,143	151,881	39,821	130	45,841	1,871,486
Additions	11,804	490,620	123,569	147,861	28,732	-	(80)	802,506
Acquisitions of subsidiary	-	144,640	86,575	195,086	6,704	-	-	433,005
Depreciation charge	(10,872)	(387,714)	(184,345)	(216,928)	(13,816)	(127)	-	(813,802)
Disposal of property, plant and equipment	-	(1,819)	(233)	-	(28,585)	-	-	(30,637)
Net effect of loss and subsequent gain of control of iMyanmarhouse	-	(4,277)	(2,341)	-	-	-	-	(6,618)
Exchange difference	(13,663)	(29,455)	(10,294)	(4,514)	(2,174)	(3)	778	(59,325)
At 31 Dec 2021	415,263	753,671	677,074	273,386	30,682	-	46,539	2,196,615
Additions	-	215,000	124,445	57,034	68,839	-	(46,539)	418,779
Disposal of subsidiary	-	(1,367)	(776)	-	-	-	-	(2,143)
Depreciation charge	(10,909)	(413,075)	(174,416)	(152,565)	(27,782)	-	-	(778,747)
Disposal of property, plant and equipment	-	(87)	-	-	-	-	-	(87)
Exchange difference	(32,320)	46,964	(21,516)	17,628	8,586	-	-	19,342
At 31 Dec 2022	372,034	602,234	604,811	195,483	80,325	-	-	1,853,759

**13. Leases**

**(a) Amount recognised in the balance sheet**

The balance sheet shows the following amounts relating to leases:

	2022	2021
	\$	\$
<b>Right-of-use assets</b>		
Buildings	835,422	1,058,995
Motor vehicles	21,335	42,786
	856,756	1,101,781
	2022	2021
	\$	\$
<b>Lease liabilities</b>		
Current	985,357	771,526
Non-current	142,335	346,858
	1,127,692	1,118,384

Additions to the right-of-use assets during the financial year were \$526,172 (2021: \$1,070,047).

**(b) Amounts recognised in the statement of profit or loss**

The statements of profit or loss shows the following amounts relating to leases:

	2022	2021
	\$	\$
Depreciation charge of right-of-use assets:		
- Buildings	732,653	587,913
- Motor vehicles	18,565	23,986
Interest expense	85,037	99,948

#### 14. Intangible assets

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

	2022 \$	2021 \$
Autodeal	1,156,058	1,218,496
Avito	3,903,457	5,260,884
CarsDB	1,362	1,455
Encuentra24	137,594	2,650,904
Fincaraiz	4,155,219	4,136,361
Hoppler	482,558	837,846
iMyanmarhouse	260,030	250,686
Infocasas	1,646,675	1,844,836
LankaPropertyWeb	94,056	159,529
Moteur	233,616	272,406
Tayara	1,282,311	1,274,500
PropertyPro	34,438	36,230
Yapo	5,173,990	4,340,018
<b>Total Intangible Assets</b>	<b>18,561,364</b>	<b>22,284,151</b>

	Note	Websites and domains \$	Software \$	Brands \$	Customer lists \$	Non competes \$	Total \$
<b>Cost</b>							
At 1 January 2021		15,563,223	1,457,628	9,414,496	7,920,109	942,069	35,297,525
Additions		2,284,170	292,298	-	-	-	2,576,468
Acquisition of subsidiary	26	2,512,942	-	3,113,579	-	-	5,626,521
Exchange difference		1,565,990	36,847	845,475	277,305	62,306	2,787,923
At 31 December 2021		21,926,325	1,786,773	13,373,550	8,197,414	1,004,375	46,288,437
Additions		4,551,580	677,078	-	-	-	5,228,658
Acquisition of subsidiary	26	391,585	(105,846)	724,302	440,515	60,708	1,511,264
Exchange difference		-	-	-	-	-	-
At 31 December 2022		26,869,490	2,358,005	14,097,852	8,637,929	1,065,083	53,028,359
<b>Accumulated amortisation</b>							
At 1 January 2021		5,742,874	989,449	3,297,663	1,805,645	942,069	12,777,700
Amortisation for the period		4,069,986	234,242	2,161,225	3,863,996	-	10,329,449
Acquisition of subsidiary		29,420	-	-	-	-	29,420
Exchange difference		283,833	23,739	299,852	197,987	62,306	867,717
At 31 December 2021		10,126,113	1,247,430	5,758,740	5,867,628	1,004,375	24,004,286
Amortisation for the period		4,636,545	580,356	1,804,512	2,287,812	-	9,309,225
Exchange difference		305,292	(71,655)	376,650	482,489	60,708	1,153,484
At 31 December 2022		15,067,950	1,756,132	7,939,902	8,637,928	1,065,083	34,466,995
<b>Carrying amount</b>							
At 31 December 2022		11,801,540	601,874	6,157,950	-	-	18,561,364
At 31 December 2021		11,800,212	539,343	7,614,810	2,329,786	-	22,284,151

## 15. Goodwill

	2022	2021
	\$	\$
At 1 January	94,085,151	64,779,025
Additions from business combinations acquired during the year	-	23,657,584
Impairment charge	(1,403,797)	(459,218)
Net effect of disposal of subsidiaries	(1,615,711)	-
Net effect of loss and subsequent gain of control of iMyanmarhouse	-	(328,225)
Exchange difference	5,644,070	6,435,985
At 31 December	<u>96,709,715</u>	<u>94,085,151</u>

Goodwill relates to cash generating units as follows:

	2022	2021
	\$	\$
Autodeal	2,511,498	2,368,346
Avito	12,314,335	11,612,434
CarsDB	1,606,322	2,878,912
Encuentra24	5,833,262	5,500,774
Fincaraiz	29,371,148	27,697,031
Hoppler	903,493	851,994
iMyanmarhouse	1,851,455	1,745,925
Infocasas	11,727,699	11,059,236
LankaPropertyWeb	397,603	374,940
Meqasa (*)	-	1,523,617
Moteur	3,485,314	3,286,655
PropertyPro	966,871	911,761
Tayara	1,878,124	1,771,074
Yapo	23,862,591	22,502,452
<b>Total Goodwill</b>	<b><u>96,709,715</u></b>	<b><u>94,085,151</u></b>

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 and growth rate appropriate for the market the CGU operates. Management reviews the carrying amounts of CGUs, which include carrying amounts of goodwill and intangible assets, for indicators of impairment on an annual basis, or more frequently when there is any indication that the CGUs may be impaired.

(\*) During the financial year ended 31 December 2022 the Group disposed of its share in entities associated with the Meqasa segment.

### Key assumptions used in fair value less cost of disposal calculations and sensitivity to changes in assumptions

The calculations of the carrying amounts for CarsDB was most sensitive to the following assumptions:

- Growth rates used to extrapolate cash flows beyond the forecast period.

*Growth rate estimates* – Revenue growth rates beyond FY22 are based on Management's best estimate, historic results and external data in the industry. Management recognises that the speed of technological change and the possibility of changes in local market share may have significant impact on growth rate assumptions. The effect is not expected to have an adverse impact on the forecasts but could yield a reasonably possible alternative to the estimated growth rate of the below identified CGUs.

**15. Goodwill (cont'd)**

**CarsDB CGU**

The recoverable amount of CarsDB CGU of US\$1.8m as at 31 December 2022 has been determined based on a fair value less cost to sell cash flow model using cash flow projections from FY22 financial projections, approved by the Directors covering a five-year period. The projected cash flows have been updated to reflect the effects of military coup currently affecting Myanmar.

The recoverable amount of the CGU fell short of the carrying amount of the entity non-current assets by AUD\$1.4m. As a result of this analysis, management has recognised an impairment charge in the current year of this amount.

The pre-tax discount rate applied to cash flow projections is 52% (2021: 32%). Revenue in FY2023 is expected to increase by 66% over the FY2022 result, as the impact of the current military coup lessens. Cash flows beyond 2023 for the four-year period are then extrapolated using an average 55% (2021: 90%) growth rate with revenue forecast to return to pre-Covid and military coup levels by 2025. Any reduction in this annual growth rate for CarsDB would result in additional impairment.

**16. Investments in associates**

	2022 \$	2021 \$
Equity investments at cost	20,093,495	20,101,199
Accumulated share of losses	(11,369,946)	(11,302,799)
Balance at 31 December	<u>8,723,549</u>	<u>8,798,400</u>

On 20 January 2021, the Group acquired remaining 43.69% equity interest in Moteur with cash consideration of US\$1,200,000 (AUD equivalent 1,551,840), increasing the Group's holding from 56.31% to 100.00%. As a result, the Group acquired control of Moteur and the results of Moteur were consolidated from date of acquisition at 20 January 2021.

Details of the associated companies during the year are as follows:

Name of Operating Company	Principal activities	Country of business/ incorporation	Equity holding		Accounting method at 31 Dec 2022
			As at 31 Dec 2022	As at 31 Dec 2021	
Kupatana AB ("Kupatana")	Online classified advertising, event management, and investment holding	Sweden	-	26.67%	Equity Accounted
Kupatana Ltd	Online classified advertising and event management	Tanzania	-	26.67%	
Kupatana Ltd	Online classified advertising and event management	Uganda	-	26.67%	
Buyandsell Tanzania AB	Online classified advertising and event management	Sweden	-	26.67%	
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	29.76%	29.76%	Equity Accounted
Zameen Media Pvt Ltd	Online classified advertising and event management (Zameen.com)	Pakistan	29.76%	29.76%	

16. Investments in associates (cont'd)

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

Year ended 31 December 2022												
Operating company	Cost of investment						Share of total comprehensive income					Carrying amount 31-Dec-22
	1-Jan-22	Addition	Disposal	Impairment	Exchange difference	31-Dec-22	1-Jan-22	Addition	Disposal	Exchange difference	31-Dec-22	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	14,107,340	-	-	-	852,706	14,960,046	(7,047,800)	(650,782)	-	(419,961)	(8,118,543)	6,841,503
Pakwheels	4,840,850	-	-	-	292,599	5,133,449	(3,101,990)	35,930	-	(185,343)	(3,251,403)	1,882,046
Kupatana	1,153,009	-	(1,153,009)	-	-	-	(1,153,009)	-	1,153,009	-	-	-
	20,101,199	-	(1,153,009)	-	1,145,305	20,093,495	(11,302,799)	(614,852)	1,153,009	(605,304)	(11,369,946)	8,723,549

Year ended 31 December 2021												
Operating company	Cost of investment						Share of total comprehensive income					Carrying amount 31-Dec-21
	1-Jan-21	Addition	Step Acquisition	Impairment	Exchange difference	31-Dec-21	1-Jan-21	Addition	Step Acquisition	Exchange difference	31-Dec-21	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	12,091,696	1,330,734	-	-	684,910	14,107,340	(8,930,003)	2,269,106	-	(386,903)	(7,047,800)	7,059,540
Pakwheels	4,609,850	-	-	-	231,000	4,840,850	(3,007,938)	57,500	-	(151,552)	(3,101,990)	1,738,860
Kupatana	1,153,009	-	-	-	-	1,153,009	(1,153,009)	-	-	-	(1,153,009)	-
Moteur	1,356,613	-	(1,356,613)	-	-	-	(405,904)	-	405,904	-	-	-
	19,211,168	1,330,734	(1,356,613)	-	915,910	20,101,199	(13,496,854)	2,326,606	405,904	(538,454)	(11,302,799)	8,798,400

16. Investments in associates (cont'd)

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

Year ended 31 December 2022											
Operating Company	Share of associates profit or loss					Share of other comprehensive income					Share of total comprehensive income
	1-Jan-22	Addition	Unrealised foreign exchange gain/(loss)	Disposal	31-Dec-22	1-Jan-22	Addition	Disposal	Exchange difference	31-Dec-22	31-Dec-22
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	(9,626,322)	1,262,335	(1,614,540)	-	(9,978,527)	2,578,521	(298,577)	-	(419,961)	1,859,983	(8,118,544)
Pakwheels	(4,264,259)	(83,554)	(551,483)	-	(4,899,296)	1,162,270	670,967	-	(185,342)	1,647,895	(3,251,401)
Kupatana	(1,173,106)	-	-	1,173,106	-	20,097	-	(20,097)	-	-	-
	(15,063,687)	1,178,781	(2,166,023)	1,173,106	(14,877,823)	3,760,888	372,390	(20,097)	(605,303)	3,507,878	(11,369,945)

Year ended 31 December 2021											
Operating Company	Share of associates profit or loss					Share of other comprehensive income					Share of total comprehensive income
	1-Jan-21	Addition	Unrealised foreign exchange gain/(loss)	Step Acquisition	31-Dec-21	1-Jan-21	Addition	Step Acquisition	Exchange difference	31-Dec-21	31-Dec-21
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	(11,436,665)	1,502,070	308,273	-	(9,626,322)	2,506,662	458,762	-	(386,903)	2,578,521	(7,047,801)
Pakwheels	(4,038,255)	(427)	(225,577)	-	(4,264,259)	1,030,317	283,504	-	(151,551)	1,162,270	(3,101,989)
Kupatana	(1,173,106)	-	-	-	(1,173,106)	20,097	-	-	-	20,097	(1,153,009)
Moteur	(448,665)	-	-	448,665	-	42,761	-	(42,761)	-	-	-
	(17,096,691)	1,501,643	82,696	448,665	(15,063,687)	3,599,837	742,266	(42,761)	(538,454)	3,760,888	(11,302,799)

**16. 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:

31 Dec 22		Assets				Liabilities						
Operating Company	Current assets		Non-current assets			Current liabilities			Non-current liabilities			Net assets
	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	24,425,549	12,278,688	36,704,237	22,863,332	-	14,448,029	4,874,013	19,322,042	14,653,942	-	14,653,942	25,591,585
Pakwheels	40,441	619,411	659,852	192,739	-	4,107,599	103,805	4,211,404	-	-	-	(3,358,813)
	<u>24,465,990</u>	<u>12,898,099</u>	<u>37,364,089</u>	<u>23,056,071</u>	<u>-</u>	<u>18,555,628</u>	<u>4,977,818</u>	<u>23,533,446</u>	<u>14,653,942</u>	<u>-</u>	<u>14,653,942</u>	<u>22,232,772</u>

31 Dec 21		Assets				Liabilities						
Operating Company	Current assets		Non-current assets			Current liabilities			Non-current liabilities			Net assets
	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	16,483,318	17,422,929	33,906,247	6,002,960	-	9,279,789	4,374,798	13,654,587	526,845	-	526,845	25,727,775
Pakwheels	59,624	564,035	623,659	103,564	-	3,987,044	5,026	3,992,070	-	-	-	(3,264,847)
	<u>16,542,942</u>	<u>17,986,964</u>	<u>34,529,906</u>	<u>6,106,524</u>	<u>-</u>	<u>13,266,833</u>	<u>4,379,824</u>	<u>17,646,657</u>	<u>526,845</u>	<u>-</u>	<u>526,845</u>	<u>22,462,928</u>

16. Investments in associates (cont'd)

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

Operating Company	2022					2021				
	Net profit/(loss) before unrealised foreign exchange gain/(loss)	Unrealised foreign exchange gain/(loss)	Other comprehensive income	Amortisation of intangible assets	Total comprehensive income	Net profit/(loss) before unrealised foreign exchange gain/(loss)	Unrealised foreign exchange gain/(loss)	Other comprehensive income	Amortisation of intangible assets	Total comprehensive income
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	2,084,244	(3,267,819)	(1,003,359)	-	(2,186,934)	5,067,525	1,035,943	1,541,656	(19,866)	7,625,258
Pakwheels	(226,790)	(1,496,887)	1,821,203	-	97,526	(2,780)	(612,163)	769,513	1,500	156,070
	<u>1,857,454</u>	<u>(4,764,705)</u>	<u>817,844</u>	<u>-</u>	<u>(2,089,408)</u>	<u>5,064,745</u>	<u>423,780</u>	<u>2,311,169</u>	<u>(18,366)</u>	<u>7,781,328</u>

Total revenue generated by operating entities in the period during which they were accounted by the Group as associate companies was \$86,094,326 (2021: \$63,120,258).

Associated companies reported using the equity accounting method at the year end generated full year revenues of \$86,094,326 (2021: \$63,120,258) as follows:

Operating Company	2022	2021
	\$	\$
Zameen	82,601,999	60,347,040
Pakwheels	<u>3,492,327</u>	<u>2,773,218</u>
	<u>86,094,326</u>	<u>63,120,258</u>

## 17. Investment in subsidiaries

The Group's principal subsidiaries at 31 December 2022 are set out below. Unless otherwise stated, share capital consisted solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of Operating Company	Principal activities	Country of business/ incorporation	Equity holding as Subsidiary	
			As at 31 Dec 2022	As at 31 Dec 2021
Frontier Digital Ventures Pte Ltd ("FDVSG")	Investment holding	Singapore	100.00%	100.00%
Frontier Digital Ventures Sdn Bhd ("FDVMY")	Management services	Malaysia	100.00%	100.00%
Avito SCM S.a.r.l ("Avito")	Operator of online general classifieds portals	Morocco	100.00%	100.00%
Editora Urbana Limitada ("Fincaraiz")	Operator of online property classifieds portals	Colombia	100.00%	100.00%
Trust et Tranactions Tunisia ("Tayara")	Operator of online general classifieds portal	Tunisia	100.00%	100.00%
Yapo.cl	Operator of online general classifieds portals	Chile	100.00%	100.00%
Le Rouge AB	Management services	Sweden	-	100.00%
Autodeal	Investment holding	Singapore	55.79%	55.79%
The Sirqo Group, Inc.	Operator of online car classifieds portals	Philippines	55.79%	55.79%
Encuentra24	Operator of online general classifieds portals	Switzerland	100.00%	100.00%
Swiss Panama Group, Corp	Operator of online general classifieds portals	Panama	100.00%	100.00%
Encuentra24.com Clasificados S.A.	Operator of online general classifieds portals	Panama	100.00%	100.00%
Encuentra24.com Nicaragua S.A.	Operator of online general classifieds portals	Nicaragua	100.00%	100.00%
Encuentra Veinticuatro.com SA	Operator of online general classifieds portals	Costa Rica	100.00%	100.00%
Encuentra24.com S.A.	Operator of online general classifieds portals	Panama	100.00%	100.00%
Hoppler	Investment holding	Singapore	51.05%	51.05%
Hoppler, Inc.	Operator of online property classifieds portal	Philippines	51.05%	51.05%
Zipmatch Pte Ltd	Investment holding	Singapore	51.05%	51.05%
Homematch Corporation Inc.	Operator of online property classifieds portal	Philippines	51.05%	51.05%

**17. Investment in subsidiaries (cont'd)**

Name of Operating Company	Principal activities	Country of business/ incorporation	Equity holding as Subsidiary	
			As at 31 Dec 2022	As at 31 Dec 2021
Infocasas	Investment holding	British Virgin Island	100.00%	100.00%
Infocasas SA	Operator of online property classifieds portal	Uruguay	100.00%	100.00%
Relaxed SA	Operator of online property classifieds portal	Paraguay	100.00%	100.00%
Publicidad e Inmobiliaria IC Bolivia	Operator of online property classifieds portal (infocasas.com.uy)	Bolivia	100.00%	100.00%
Infocasas Peru S.A.C	Operator of online property classifieds portal	Peru	100.00%	100.00%
iMyanmar	Investment holding	Singapore	52.63%	52.63%
iMyanmar Co. Ltd	Operator of online property classifieds portal	Myanmar	52.63%	52.63%
iMyanmarHouse Co., Ltd	Operator of online property classifieds portal	Myanmar	52.63%	52.63%
Lanka Property Web (Private) Limited	Operator of online property classifieds portal	Sri Lanka	53.01%	53.01%
Meqasa	Operator of online property classifieds portal	Singapore	-	66.17%
Meqasa Limited	Operator of online property classifieds portal	Ghana	-	66.17%
Moteur.MA ("Moteur")	Online classified advertising and event management (Moteur.ma)	Morocco	100.00%	100.00%
Rebbiz ("CarsDB")	Investment holding	Singapore	61.61%	61.61%
Rebbiz Co Ltd	Operator of online car classifieds portals	Myanmar	61.61%	61.61%
PropertyPro	Investment holding	Singapore	39.48%	39.48%
Propertypro.com.ng Limited	Operator of online property classifieds portal	Nigeria	39.48%	39.48%

**18. Related party advances**

	2022	2021
	\$	\$
Non-trade amount due to: - other related parties	-	-

Non-trade amounts due to related parties are unsecured, interest free and repayable on demand.

**19. Trade and other payables**

	2022	2021
	\$	\$
Trade payables	6,708,747	5,024,721
Other payables	4,367,785	3,865,556
Accruals	6,219,548	5,479,536
	17,296,080	14,369,813

**20. Borrowings**

	2022	2021
	\$	\$
Current	190,416	457,714
Non-current	169,044	46,057
	359,460	503,771

Included in the borrowings are:

- a loan of USD128,285 (2021: USD128,285) and a CHF denominated loan of CHF62,026 (2021: CHF62,026) which are non-interest bearing and is contingent upon the sale of Encuentra24; and
- a loan of USD95,350 (2021: USD95,350) awarded by the NII (National Research and Innovation Agency), a federal agency in Uruguay, to Infocasas in 2015. Interest on the loan is charged by LIBOR +4% compounding at daily rest basis. Payments are due on a six monthly basis and the loan will mature in April 2023.

**21. Contingent consideration**

	2022	2021
	\$	\$
Current	34,115,355	16,004,559
Non-current	-	38,386,014
	34,115,355	54,390,573

Contingent consideration consists of:

- US\$13,597,371 (AUD equivalents19,943,264) payable to the previous vendor shareholders of Infocasas upon achieving the operational targets at the completion of financial year ended 31 December 2022; and
- US\$9,662,570 (AUD equivalents 14,172,091) payable to the founders of Encuentra24 upon achieving the operational targets at the completion of financial year ending 31 December 2022.

A fair value adjustment of \$4.5 million and \$2.1 million was recognised in the statement of comprehensive income relating to a revaluation of the contingent consideration arrangement payable to vendor shareholders of Infocasas and Encuentra24 respectively. The fair value of the contingent consideration arrangement was estimated considering the present value of expected payments, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast net revenue, the amount to be paid under each scenario and the probability of each scenario.

There is uncertainty around the actual payments that will be made as the payments are subject to the performance of Infocasas and Encuentra24 subsequent to the reporting date. Factors which could vary the amount of contingent consideration payable due include a net revenue target and EBITDA threshold for future payments. Actual future payments may differ from the estimated liability.

## 22. Share capital

	2022 Shares	2021 Shares	2022 \$	2021 \$
<b>Fully paid ordinary shares</b>				
At 1 January	366,336,307	342,868,343	218,918,649	184,809,420
Issued for cash	12,629,186	23,333,334	18,943,000	35,000,000
Issued for business combinations	-	-	-	-
Issued to employees and Directors	350,754	134,630	491,654	167,396
	<u>379,316,247</u>	<u>366,336,307</u>	<u>238,353,303</u>	<u>219,976,816</u>
Less: Transaction costs	-	-	(2,160,358)	(1,058,167)
At 31 December	<u>379,316,247</u>	<u>366,336,307</u>	<u>236,192,945</u>	<u>218,918,649</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 financial year ended 31 December 2022, 12,629,186 ordinary shares with value of \$18,943,000 were issued for cash through non-underwritten institutional placement.

In the same period, 93,623 (2021: 82,197) ordinary shares were issued to employees as share based payments with a value of \$110,127 (2021: \$107,396). A further 40,323 (2021: 52,433) ordinary shares were issued to Directors as share-based payments with a value of \$60,000 (2021: \$60,000).

## 23. Reserves

		2022 \$	2021 \$
Share rights plan reserves	(a)	585,178	267,745
Other equity	(b)	(58,725,758)	(58,665,758)
Foreign currency translation reserves	(c)	2,650,487	1,308,323
		<u>(55,490,093)</u>	<u>(57,089,690)</u>

- (a) The share rights plan reserves comprise the cumulative value of the share options issued to the director but not exercised and the share-based payments value for the long-term incentives (LTI) granted to the employees which will be payable in shares but not yet vested.

Details of the share options and LTI plan are disclosed in Note 30.

This reserve is recorded over the vesting period commencing from the grant date and is reduced once upon expiry or exercise of the share options. When the option is exercised, the amount from the share rights plan reserves is transferred to share capital.

- (b) The other equity comprises of:
- the equity reserves for the remuneration of the non-executive director which is payable in shares for the year ended 31 December 2022 as disclosed in Note 30
  - equity derived from the effects of the transactions with non-controlling interests that do not result in a loss of control as transactions are with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.
- (c) The foreign currency translation reserves comprise all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

## 24. Share based payments

	2022 \$	2021 \$
Executive incentive plan	116,916	80,508
Amortisation of employee share rights	317,432	243,009
Remuneration for Non-Executive Directors	60,000	60,000
<b>Total</b>	<b>494,348</b>	<b>383,517</b>

## 25. Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future investments not denominated in Australian dollars Recognised financial assets and liabilities not denominated in Australian dollars	Cash flow forecasting Sensitivity analysis	Holding US Dollars Forward foreign exchange contracts when appropriate Dual currency deposits when appropriate
Market risk – interest rate	Return on cash deposits	Rolling forecasts of free cashflows	Periodic comparison of rates and diversification of bank deposits
Credit risk	Cash and cash equivalents, trade and other receivables	Debtor Aging analysis Credit ratings	Diversification of bank deposits and credit limits
Liquidity risk	Liabilities	Rolling cash flow forecasts	Availability of cash and reserves

The Group's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include foreign currency risk, and liquidity risk. The Group's corporate treasury function identifies and evaluates financial risks in close co-operation with the Group's operating units.

The Group's overall financial risk management objective is to optimise value for their shareholders. The Group does not trade in financial instruments. The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management.

The following table analyses the fair value of the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	2022 \$	2021 \$
<b>Financial assets</b>		
Cash and cash equivalents	16,577,594	36,120,322
Term deposits	10,044,067	61,163
Trade and other receivables	12,917,526	13,466,186
Other financial assets	1,268,876	1,113,565
	<b>40,808,063</b>	<b>50,761,236</b>
<b>Financial liabilities</b>		
Trade and other payables	17,296,080	14,369,813
Finance lease liabilities	1,127,692	1,118,384
Contingent consideration	34,115,355	54,390,573
Borrowings	359,460	503,771
	<b>52,898,587</b>	<b>70,382,541</b>

## 25. Financial risk management (cont'd)

### (a) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's net investments in foreign subsidiaries, which is predominantly denominated in United States Dollars (USD).

The Group carries 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 USD is the functional currency of the intermediate holding company of the Group as well as a number of significant subsidiaries.

There is no other material exposure to foreign currency risks within the financial assets and financial liabilities outside of each operating entity's functional currency, and as such no foreign currency exposure arises. However, the translation of these foreign entities' results from their respective non-Australian dollar functional currencies into the Australian dollar presentation currency of the Group represents a foreign currency reporting risk to the Group.

Management has set up a practise to monitor changes in foreign exchange rates on an ongoing basis. The Group also takes advantage of any natural effects of its foreign currencies revenues and expenses by maintaining current accounts in foreign currencies.

### (b) Interest rate risk management

The Group's exposure to interest rate risk is limited to the movement in interest rate in terms of its cash held at bank.

#### Interest rate sensitivity

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2022 would increase/decrease by \$185,817 (2021: \$135,148). This is mainly attributable to the Group's exposure to interest rates on its cash held at bank. The Group earned \$224,547 (2021: \$110,253) in interest income which is an average annual return of 0.12% (2021: 0.12%) on its average cash balance for the year.

### (c) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopted a policy of generally dealing with reputable counterparties as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers and ongoing credit evaluation is performed on the accounts regularly. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties. The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. However, due to the short trading history of the Group, the information available on past default experience is limited. The expected credit losses on trade receivables is further adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

**25. Financial risk management (cont'd)**

**(c) Credit risk management (cont'd)**

On that basis, the loss allowance was determined as follows for trade receivables:

As at 31 Dec 2022	Not past due	Trade Receivables past due				Total
		1 to 30 days	31 to 60 days	61 to 90 days	91 plus days	
Expected loss rate	14.0%	30.1%	32.0%	40.3%	88.4%	
Gross carrying amount	8,069,690	1,800,027	862,567	2,153,106	9,480,220	22,365,610
<b>Loss allowance</b>	<b>1,132,248</b>	<b>542,132</b>	<b>276,132</b>	<b>868,003</b>	<b>8,378,107</b>	<b>11,196,622</b>

As at 31 Dec 2021	Not past due	Trade Receivables past due				Total
		1 to 30 days	31 to 60 days	61 to 90 days	91 plus days	
Expected loss rate	0.7%	1.3%	1.8%	17.9%	88.7%	
Gross carrying amount	5,762,598	2,445,397	1,356,137	1,775,637	10,391,418	21,731,187
<b>Loss allowance</b>	<b>40,918</b>	<b>32,311</b>	<b>24,190</b>	<b>317,452</b>	<b>9,213,417</b>	<b>9,628,288</b>

**(d) Capital risk management**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders by maintaining an optimal capital structure. In order to do so, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Group had borrowings of \$359,460 (2021: \$503,771) as at the end of the financial year. Details as disclosed in Note 20.

**(e) Liquidity risk management**

Liquidity risk is the risk that the Group may encounter difficulty in meeting financial obligations as they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's liquidity risk management policy is to monitor and maintain a level of cash and cash equivalents deemed adequate for the management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

## 26. Business Combinations

### 26.1 Controlled entities

#### 26.1.1 Acquisition of companies

During the prior financial year, the Group gained accounting control of the following groups of companies (collectively referred to as "Operating Companies") via new investments. 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 acquisitions were accounted on the provisional basis at 31 December 2021.

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in the subsidiaries listed below, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. See note 2(b) for the group's accounting policies for business combinations.

The following summarises the effect of the acquisition of subsidiaries as at the date of acquisitions during the year ended 31 December 2021:

	Yapo \$	Zipmatch \$	Total \$
<b>Fair value of consideration transferred</b>			
Cash and cash equivalents	24,521,407	-	24,521,407
Share swaps	-	556,119	556,119
<b>Total consideration</b>	<b>24,521,407</b>	<b>556,119</b>	<b>25,077,526</b>
<b>Provisional allocation of purchase consideration</b>			
Cash and bank balances	1,853,877	4,242	1,858,119
Deferred tax assets	-	27,312	27,312
Deferred tax liabilities on fair value of intangible assets acquired	(1,128,815)	(223,651)	(1,352,466)
Intangible assets acquired			
- Brands	2,674,511	-	2,674,511
- Website and domain	1,506,286	894,603	2,400,889
Plant and equipment	384,230	1,725	385,955
Trade and other receivables	1,549,744	90,104	1,639,848
Trade and other payables	(2,835,991)	(305,207)	(3,141,198)
Goodwill (Note 15)	20,517,565	66,991	20,584,556
<b>Total identifiable net assets acquired</b>	<b>24,521,407</b>	<b>556,119</b>	<b>25,077,526</b>

The effect of the acquisition on cash flows of the Group is as follows:

	Yapo \$	Zipmatch \$	Total \$
Fair value of consideration transferred	(24,521,407)	-	(24,521,407)
Less: Cash and cash equivalents acquired	1,853,877	4,242	1,858,119
	<b>(22,667,530)</b>	<b>4,242</b>	<b>(22,663,288)</b>

From the date of acquisition, the subsidiaries contributed revenue and net losses during the year of:

	Yapo \$	Zipmatch \$	Total \$
Revenue	8,120,518	532	8,121,050
Net loss after tax	(938,780)	13,464	(925,316)
Other comprehensive income	(135,436)	146,327	10,892

If the acquisition had occurred on 1 January 2021, the consolidated results for the financial period ended 31 December 2021 would have been as follows:

	Yapo \$	Zipmatch \$	Total \$
Revenue	9,456,114	652	9,456,766
Net loss after tax	4,104,177	(57,888)	4,046,290
Other comprehensive income	(18,676)	173,200	154,524

## 26. Business Combinations (cont'd)

### 26.1 Controlled entities (cont'd)

#### 26.1.1 Acquisition of companies (cont'd)

##### (i) Acquisition of Yapo

On 24 February 2021, the Group acquired 100% equity interest and control in Yapo.cl SPA. Yapo operates general classifieds business in Chile, with high value auto and real estate verticals.

The total consideration of EUR15,998,901 (AUD equivalent 24,521,407) was paid in exchange for 100% of the issued share capital of Yapo. The excess of the purchase consideration over the fair value of net assets acquired has been classified as goodwill.

##### (ii) Acquisition of Zipmatch

On 19 November 2020, Hoppler entered into a sale and purchase agreement with the shareholders of Zipmatch Corporation Pte Ltd to acquire 100% of its equity interest via Share Swaps for 10% of ordinary shares capital of Hoppler valued at US\$430,000 (AUD equivalent 556,119).

The acquisition process was completed on 21 April 2021 and the Group's equity interest in Hoppler decreased 4.02% from 40.23% to 36.21%.

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

#### 26.1.2 Change of accounting control and step acquisitions

On 20 January 2021, the Group acquired 43.69% equity interest or 306,614 ordinary shares in Moteur from the vendor shareholder with upfront cash consideration of US\$1,200,000 (AUD equivalents 1,551,840). As a result, the Group acquired accounting control of Moteur and has consolidated its results from the date of acquisition. The excess of the purchase consideration over the fair value of net assets acquired has been classified as goodwill.

The effect of the acquisition of Moteur as at the date of acquisition of 20 January 2021 is as follows:

	2021 \$
<b>Fair value of consideration transferred</b>	
Cash and cash equivalents	1,551,840
Fair value of previously held equity interest	<u>2,000,173</u>
<b>Total consideration</b>	<b><u>3,552,013</u></b>
<b>Provisional allocation of purchase consideration</b>	
Cash and bank balances	46,423
Deferred tax assets	(83,809)
Intangible assets acquired	
- Brands	216,753
- Website and domain	84,168
Plant and equipment	47,050
Trade and other receivables	357,778
Trade and other payables	(189,378)
Goodwill (Note 15)	<u>3,073,028</u>
<b>Total identifiable net assets acquired</b>	<b><u>3,552,013</u></b>

The effect of the acquisition on cash flows of the Group is as follows:

	2021 \$
Fair value of consideration transferred	(1,551,840)
Less: Cash and cash equivalents acquired	<u>46,423</u>
<b>Total consideration</b>	<b><u>(1,505,417)</u></b>

**26. Business Combinations (cont'd)**

**26.1 Controlled entities (cont'd)**

**26.1.2 Change of accounting control and step acquisitions (cont'd)**

Upon acquiring control, there was deemed disposal by the Group of the previously held equity interest at fair value, resulting in gains on deemed disposal of \$1,066,718.

	<b>2021</b>
	<b>\$</b>
Fair value of previously held equity interest	2,000,173
Cost of investments	1,331,996
Less: Share of losses at acquisition	(424,454)
Add: Share of OCI at acquisition	25,913
Carrying amounts of investments at 20 January 2021	933,455
Gain on deemed disposal of associate	1,066,718

**26.1.3 Increase in Equity interest and other transactions with Controlled Entities**

**(a) Hoppler**

On 14 June 2021, the Group acquired an additional 110,914 ordinary shares in Hoppler via capitalisation of debts amounting to US\$381,524 (AUD equivalent 494,799), increasing the Group's equity interest by 5.79% from 36.21% to 42.00%.

On 12 July 2021, the Group entered into share purchase agreements to acquire an additional 110,556 ordinary shares from the other existing shareholders of Hoppler with a total consideration of US\$250,000 (AUD equivalent 334,475), increasing its equity interest from 42.00% to 51.05%.

**(b) Infocasas**

On 8 June 2021, the Group entered into a share sale agreement to acquire 60,479 ordinary shares from the other shareholders of Infocasas with upfront cash consideration of US\$6,176,982 (AUD equivalent 8,263,185) and the balance of performance-based earn-out consideration in two tranches which are contingent upon achieving the operational targets at the completion of financial year ending 31 December 2021 and the financial year ending 31 December 2022 respectively. The total estimated contingent consideration is amounting to US\$27,892,386 (AUD equivalent 38,577,959).

Following the completion of the acquisition process on 21 June 2021, the Group's equity interest in Infocasas increased by 49.37% from 50.63% to 100.00%.

**(c) Encuentra24**

On 23 December 2021, the Group entered into share sale agreement to acquire 171 ordinary shares from the other shareholders of Encuentra24 with upfront cash consideration of US\$9,150,000 (AUD equivalent 12,655,365) and the balance of performance-based earn-out consideration which are contingent upon achieving the operational targets at the completion of financial year ending 31 December 2022. The estimated contingent consideration is amounting to US\$11,132,734 (AUD equivalent 15,397,684).

27. Notes to the statement of cash flows

	2022 \$	2021 \$
<b>Cash flows from operating activities</b>		
Net loss before tax	(12,489,921)	(19,730,016)
Adjustments for:		
Amortisation of intangible assets	10,060,443	10,941,348
Depreciation	778,747	813,802
Net loss allowance on doubtful debts	406,350	-
Impairment of goodwill	1,403,797	459,218
Impairment of goodwill subsequent to disposal of subsidiaries	1,615,711	-
Net effect of loss and subsequent gain on control of iMyanmarhouse	-	542,800
Gain/(loss) on disposal of property, plant and equipment	(7,071)	(27,144)
Disposal of Rights-of-use assets	(26,639)	10,931
Property, plant and equipment written off	-	-
Net foreign exchange difference	324,888	(8,510,901)
Share of profit/(loss) from associates	987,242	(1,584,340)
Interest income	(224,547)	(110,253)
Interest expense	164,995	520,760
Non-cash employee benefits expense – share based payments	749,087	383,517
Fair value on contingent consideration	(6,626,456)	11,750,239
Gain on disposal and deemed disposal of Associates and Controlled Entities	-	(1,066,718)
	<u>(2,883,374)</u>	<u>(5,606,757)</u>
Change in operating assets and liabilities, net of effects from purchase of controlled entities:		
Trade and other receivables	(635,486)	(16,008)
Trade and other payables	997,215	81,493
Cash used in operations	(2,521,645)	(5,541,272)
Interest paid	(164,995)	(140,248)
Interest received	138,070	29,198
<b>Net cash used in operating activities</b>	<u><b>(2,548,570)</b></u>	<u><b>(5,652,322)</b></u>

## 28. Convertible loan notes

As at the year end, there were convertible loan notes held in the following operating entities.

Operating companies	Conversion prior to Maturity Date	Consideration US\$	Interest rate per annum	Balance for conversion at Year End	Current shareholding %	Maximum Group equity holding % after conversion
Pakwheels	3 October 2022 (a)	600,000	10%	805,123	36.84%	Variable*

\*Note 11 – Other financial assets

(a) The convertible loan notes matured on 3 October 2022 and is in progress of being renegotiated.

## 29. Related party transactions

	2022 \$	2021 \$
<b>Catcha Group</b>		
Increase in loan	1,920	(566)
Repayment of loan	(2,240)	3,269
<b>Acclime Corporate Services Pty Ltd</b>		
Company secretarial fees	64,379	65,053

Related Party advances as at 31 December 2022 consist of \$NIL (2021: \$NIL) due to Catcha Group.

As at the year end, Catcha Group held less than 20% of the issued share capital (2021: less than 20%).

Mark Licciardo was engaged as both Director and Company Secretary through Acclime Corporate Services Pty Ltd. Included in trade and other payables at the year end was \$5,806 (2021: \$5,806) due to Acclime Corporate Services Pty Ltd.

By an agreement between the Company and each of the Non-Executive Directors, the Non-Executive Directors have agreed to provide services to the Company. As detailed in the Company prospectus the Non-Executive Directors will be remunerated by a mixture of cash and shares.

The remuneration of Non-Executive Directors for the year ended 31 December 2022 includes \$60,000 (2021: \$60,000) in respect of NIL (2021: 40,448) shares which have not yet been issued to Non-Executive Directors. The issue of these shares to Non-Executive Directors is subject to shareholder approval at the next annual general meeting.

	2022			2021		
	Shares issued	Shares vested but not issued	Total	Shares issued	Shares vested but not issued	Total
Mark Licciardo	40,323	-	40,323	52,433	40,448	92,881
	40,323	-	40,323	52,433	40,448	92,881

There were no other transactions between the Group and other related party other than employment expenses paid to key management personnel as disclosed in Note 29.

### 30. Key management personnel compensation

#### (a) Key management personnel compensation

The aggregate compensation made to key management personnel of the Group is set out below:

	2022 \$	2021 \$
Director fees		
- current year	241,403	189,944
Amortisation of share options	14,456	14,456
	255,859	204,400
<b>Other key management personnel</b>		
Salaries and wages	992,472	898,621
Employer statutory contribution and pension related	49,008	43,062
Equity settled share-based payments	151,414	125,608
	1,192,894	1,271,691

The share-based payment expense primarily relates to employee share rights, as described in Note 24 and the Remuneration Report on pages 12 to 20.

On 24 May 2019, 450,000 share options were granted to a non-executive director. These options have vested. The amortisation of share options is accounting values and do not reflect the actual shares vested.

#### (b) Share based payments

##### (i) LTI Plan

A new Long-Term Incentive Plan (LTI Plan) was introduced during the financial year. The amortisation of employee long term incentive share rights amounting to \$231,297 (2021: \$228,553) is included in the statement of comprehensive income.

Details of the LTI Plan is as described in Remuneration Report pages 12 to 20.

##### (ii) Options

	2019	
	Average exercise price per share option \$	Number of options
As at 1 January	0.84	450,000
Granted during the year	-	-
As at 31 December	0.84	450,000

##### Fair value of options granted

The assessed fair value at grant date of options granted during the year ended 31 December 2019 was \$0.13 per option. The fair value at grant date is independently determined using Monte Carlo simulation model that takes into account the share price at grant date, the risk-free interest rate for the term of the options, the expected price volatility of the underlying share, the exercise price and time to maturity of the underlying option.

The model inputs for options granted during the financial year included:

	2019
Exercise price	0.84
Grant date	24 May 2019
Expiry date	23 May 2023
Share price at grant date	0.53
Expected price volatility of the Company's shares	49.40%
Risk-free interest rate	1.131%
Time to maturity of underlying options	4 years

### 31. Parent entity disclosures

The accounting policies of the parent entity (Frontier Digital Ventures Limited), which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 2 for a summary of the significant accounting policies relating to the Group.

	Parent	
	2022 \$	2021 \$
<b>Financial position</b>		
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	20,159,840	30,035,211
Trade and other receivables	182,126	310,803
Related party advances	20,386,655	160,968,106
<b>Total current assets</b>	<b>40,728,621</b>	<b>191,314,120</b>
<b>Non-current assets</b>		
Investments in subsidiaries	182,682,078	16,843,016
<b>Total assets</b>	<b>223,410,699</b>	<b>208,157,136</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	325,078	863,098
<b>Total current liabilities</b>	<b>325,078</b>	<b>863,098</b>
<b>Total liabilities</b>	<b>325,078</b>	<b>863,098</b>
<b>NET ASSETS</b>	<b>223,085,621</b>	<b>207,294,038</b>
<b>EQUITY</b>		
Share capital	236,192,944	218,918,648
Reserves	585,178	327,745
Accumulated losses	(13,692,501)	(11,952,355)
<b>TOTAL EQUITY</b>	<b>223,085,621</b>	<b>207,294,038</b>
<b>Financial performance</b>		
Loss of the parent entity	(1,740,146)	(1,852,599)
<b>Total comprehensive loss</b>	<b>(1,740,146)</b>	<b>(1,852,599)</b>

### 32. Auditors' remuneration

	2022 \$	2021 \$
<b>Remuneration of the auditor of the parent entity for:</b>		
a) Auditing or reviewing the financial report Deloitte Touche Tohmatsu Australia	126,000	388,500
b) Auditing or reviewing the financial report PKF Brisbane Audit	162,767	-
Audit and review of financial statements	288,767	388,500
Services other than audit and review of financial statements	8,850	8,400
<b>Total auditors' remuneration</b>	<b>297,617</b>	<b>396,900</b>

### 33. 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 31 December 2022 cannot be ascertained and the Directors believe that any resulting liability would not materially affect the financial position of the Group.

### 34. Myanmar Political Situation

On 1 February 2021, Myanmar's military staged a coup and overthrew the elected civilian government. The Group's operations in Myanmar impacted were the FDV controlled entities iMyanmarhouse and CarsDB.

#### iMyanmarhouse

Operations are located in the centre of the capital Yangon and was substantially affected by the coup. The Group lost control (as defined under Accounting Standards) of iMyanmarhouse on or about 1 February 2021 as a result of the military coup and the impact of that on the Group's ability to use its power over the investee to affect the amount of the Group's returns. From that date the Group ceased to consolidate the results and the assets and liabilities of that entity. The Group did not receive any consideration in connection with the loss of control resulting in a loss \$2,648,848.

In May 2021 unrest in Yangon subsided allowing local management access to their office, communication channels were restored and the entity recommenced trading on its platform. The Group regained its ability to use its power over the investee to affect the amount of the Group's return. This resulted in the Group regaining control and consolidation of the entity recommenced from May 2021. The Group did not pay any consideration in connection to the regain of control resulting in a gain of \$2,106,048. The Group's ownership percentage is 52.63%, being at the same level as when it lost control.

Currently political uncertainty caused by changes in government is still observed in Myanmar. Management expends time and resources to monitor the regulatory uncertainty, ensuring appropriate checks and risk mitigation actions are in place. Despite this, risks remain that economic conditions may be impacted by these changes.

### 35. Events subsequent to reporting date

There has been no transaction or event 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 Group, the results of those operations, or state of affairs of the Group in future years.

## 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 financial year ended 31 December 2022:
    - (i) Give a true and fair view of the financial position and performance of the Group;
    - (ii) Comply with Australian Accounting Standards and the *Corporations Regulations 2001*.
  - (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.
  - (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 31 December 2022.

On behalf of the Board,  
Dated 31 March 2023



.....  
Anthony Klok  
Chairman

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF FRONTIER DIGITAL VENTURES LIMITED

#### Report on the Financial Report

##### Opinion

We have audited the accompanying financial report of Frontier Digital Ventures Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

##### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

##### Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss during the year ended 31 December 2022 of \$11.7 million and, as of that date, the Group's current liabilities exceeded its current assets by \$12.9 million. As stated in Note 2, these events or conditions, along with other matters indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate

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opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

## 1. Carrying value of goodwill and other intangible assets

### Why significant

As at 31 December 2022 the Group has recognised goodwill of \$96.7 million and other intangible assets of \$18.6m million as disclosed in Notes 14 and 15.

An annual impairment assessment is required under AASB 136 *Impairment of Assets*. This assessment is conducted on the relevant assets at the level of the lowest identifiable cash generating units (CGU), which for the Group represents the operating business which it controls.

The directors prepared a discounted cashflow model to perform impairment assessments for each CGU. The key assumptions within this model included, but was not limited to:

- Revenue growth over the short to medium term;
- Revenue multiplier applied as part of the terminal value cash flow calculation; and
- Discount rates.

Significant judgements are required in the impairment assessment by management about the anticipated future results of the operating businesses, and the wider economies in which they operate. As the majority of operating companies are in the earlier stages of their lifecycle and operate in a diverse range of economies worldwide, there was a high degree of estimation, complexity and uncertainty in developing key assumptions for the cash flow models.

### How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Assessing the appropriateness of the Group's designation of CGU's based on the nature and operation of the Group's businesses;
- Assessing management's process of compiling and preparing the cash flow forecasts, including the review and board approval of the source forecast information and key assumptions;
- In conjunction with valuation specialists we evaluated the key assumptions used in management's recoverable amount analysis, including:
  - assessing the basis for management's forecast revenue, cash flows and terminal value growth assumptions, including consideration of historical growth trends, business case analysis and support for future forecast growth and cost savings;
  - assessing revenue valuation multiples of comparable companies to establish an independent range to compare against those used in terminal value cash flow calculations;
  - evaluating management's historical forecasting accuracy for operating results;
  - evaluating the discount rate used by management for reasonableness, and undertaking sensitivity analysis on the impairment model using varied discount rates, growth projections within reasonable foreseeable ranges and comparing these to the carrying value of the net assets of each CGU.
- Assessing the independence, experience and qualifications of the valuation specialist assisting with our evaluation of management's analysis
- Assessing the appropriateness of the disclosures in Notes 14 and 15 to the financial statements.

## 2. Carrying value of associates

### Why significant

As at 31 December 2022 the Group has recorded a carrying value of investments in associates of \$8.7m million, as disclosed in Note 16.

To assess whether there is any potential impairment to the carrying value of the investments, management prepared a discounted cash flow model for each investment in an associate.

The key assumptions within this model included, but was not limited to:

- Revenue growth over the short to medium term;
- Revenue multiplier applied as part of the terminal value cash flow calculation; and
- Discount rates.

Significant judgements are required in the impairment assessment by management about the anticipated future results of the underlying businesses in the investments, and the wider economies in which they operate. As the majority of these operations are in the earlier stages of their lifecycle and operate in a diverse range of economies worldwide, there was a high degree of estimation, complexity and uncertainty in developing key assumptions for the cash flow models.

### Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Other Matter

The financial report of the Group for the year ended 31 December 2021 was audited by another auditor who expressed an unmodified opinion on that report on 30 March 2022.

### How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Assessing the existence of impairment indicators by:
  - Reviewing the current business results against both prior periods and budgets, and potential events or circumstances that could be an indicator of impairment; and
  - Making inquiries of local operational managers of the investments in associates and obtaining an understanding of forecasts.
  - Undertaking a sensitivity analysis of the key assumptions included in the cash flow model within reasonable foreseeable ranges.
- Assessing the appropriateness of the disclosures in Note 16 to the financial statements.

## Directors' Responsibilities for the Financial Report

The Directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2022. The Directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### Opinion

In our opinion, the Remuneration Report of Frontier Digital Ventures Limited for the year ended 31 December 2022 complies with section 300A of the *Corporations Act 2001*.

PKF

PKF BRISBANE AUDIT



SHAUN LINDEMANN  
PARTNER

BRISBANE  
31 MARCH 2023

**Corporate Directory**

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Level 7, 330 Collins Street, Melbourne VIC 3000 Australia  Tel: +61 3 8689 9997 Fax: +61 3 9602 4709	Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abbotsford VIC 3067
<b>Principal Place of Business</b>	<b>Company Secretary</b>
39-8 The Boulevard Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur, Malaysia  Tel: +60 3 2700 1591	Acclime Corporate Services Australia Mark Licciardo Email: <a href="mailto:m.licciardo@acclime.com">m.licciardo@acclime.com</a>
<b>The Board</b>	
Anthony Klok Shaun Antony Di Gregorio  Mark Licciardo  Frances Po	Independent Director, non-executive Chairman Non-independent executive Director and Chief Executive Officer Independent, non-executive Director and Company Secretary Independent, non-executive Director
<b>Chief Executive Officer</b>	<b>Chief Financial Officer</b>
Shaun Antony Di Gregorio Email: <a href="mailto:shaundig@frontierdv.com">shaundig@frontierdv.com</a>	Jason Lau Email: <a href="mailto:jasonlau@frontierdv.com">jasonlau@frontierdv.com</a>
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<b>ASX Listing Code</b>	
FDV	