

## ASX Code: FDV

29 August 2018

### Correction to 1H 2018 Accounts

Frontier Digital Ventures (ASX: FDV) wishes to advise of a minor correction to Note 10 in the Half Year Report and Accounts released on 28 August 2018.

The summarised financial performance of its associated company, Infocasas, for the half year period ended 30 June 2018 has been amended In Note 10 on page 21 of the Interim Financial Statements now attached. The amended total comprehensive loss for Infocasas for the six months ended 30 June 2018 is \$121,152 – adjusted from the previously reported total comprehensive loss of \$1,292,793.

Accordingly, the total summarised financial performance of its associated companies disclosed in Note 10 has also been amended for the corresponding half year financial period ended 30 June 2018.

Apart from the disclosure of the Infocasas financial performance and description of financial period highlighted below, there has been no other change to the results reported in the interim financial report.

A correct version of the Half Year Accounts is now attached.

### **Amended summary of financial performance of associated companies (Note 10)**

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

Operating Company	Half year 2018				
	Net loss before unrealised foreign exchange (losses)	Unrealised foreign exchange (losses)	Other comprehensive income	Amortisation and impairment loss of intangible assets	Total comprehensive income
	A\$	A\$	A\$	A\$	A\$
Zameen	(1,420,428)	(2,138,805)	1,971,877	(406,650)	(1,994,006)
Pakwheels	(528,429)	(534,161)	495,330	(79,308)	(646,568)
Propzy	(1,205,782)	(32,158)	23,973	(87,469)	(1,301,436)
Kupatana	(228,324)	(6,675)	(14,187)	(28,831)	(278,017)
Infocasas	<b>(43,532)</b>	<b>(69,308)</b>	<b>70,514</b>	(78,826)	<b>(121,152)</b>
Other associates	-	-	-	-	-
- Step acquisition	-	-	-	-	-
- Others	(98,523)	-	(6,166)	(9,488)	(114,177)
	<b>(3,525,018)</b>	<b>(2,781,107)</b>	<b>2,541,341</b>	(690,572)	<b>(4,455,356)</b>

**ASX Code: FDV**

Previously reported summary (Note 10)

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

Operating Company	Half year 2018				
	Net loss before unrealised foreign exchange (losses)	Unrealised foreign exchange (losses)	Other comprehensive income	Amortisation and impairment loss of intangible assets	Total comprehensive income
	A\$	A\$	A\$	A\$	A\$
Zameen	(1,420,428)	(2,138,805)	1,971,877	(406,650)	(1,994,006)
Pakwheels	(528,429)	(534,161)	495,330	(79,308)	(646,568)
Propzy	(1,205,782)	(32,158)	23,973	(87,469)	(1,301,436)
Kupatana	(228,324)	(6,675)	(14,187)	(28,831)	(278,017)
Infocasas	<b>(1,205,782)</b>	<b>(32,158)</b>	<b>23,973</b>	(78,826)	<b>(1,292,793)</b>
Other associates	-	-	-	-	-
- Step acquisition	-	-	-	-	-
- Others	(98,523)	-	(6,166)	(9,488)	(114,177)
	<b>(4,687,268)</b>	<b>(2,743,957)</b>	<b>2,494,800</b>	(690,572)	<b>(5,626,997)</b>

- Ends -

For more information, please contact:

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Chief Executive Officer

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**About FDV Limited**

FDV is a leading operator of online classifieds businesses in underdeveloped, emerging countries or regions. With a track record of building and supporting market leading online businesses, FDV is an expert in the online classifieds space with a particular focus on property and automotive verticals and general classifieds websites. Its portfolio currently consists of interests in 15 leading companies, operating businesses across 15 markets. With the extensive support offered to the local operating companies, coupled with its own energy and work ethic, FDV is bringing outstanding companies of global significance to their full potential and setting a new global standard of excellence in the field.



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

INTERIM FINANCIAL STATEMENTS  
*For the half year ended 30 June 2018*

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## DIRECTORS' REPORT

The Directors of Frontier Digital Ventures Limited ("the Company" or "Frontier") submit the annual financial report of the Company and its subsidiaries ("the Group") for the half year ended 30 June 2018. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

### Information about the Directors and senior management

The names and particulars of the Directors of the Company during, or since the end of, the financial year are as follows:

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

### Principal activities

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

The Target Markets on which the Group focuses for future growth and strategic investments are Asia (excluding China and India), Central and South America, and Africa/MENA.

### Changes in State of Affairs

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

### Review of Operations

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

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

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

## Directors' Report (cont'd)

### Review of Operations (cont'd)

Accounting control over subsidiaries in which the Group holds a minority interest is achieved as a result of the Group's absolute and unfettered discretion over operational matters, significant to the Group's ability to direct the business activities of the investments. The deemed disposal of a previously consolidated operating entity, Propzy, occurred during the period due to a change in shareholder agreement resulting in the Group's loss of accounting control.

The Group continues to carry a significant exposure to movements in the currency exchange rates between the United States Dollar (USD) and the Australian Dollar (AUD). Most acquisitions are denominated in USD and the USD is the functional currency of the intermediate holding company of the Group as well as a few significant subsidiaries. The cash impact of movements in currency exchange rates was previously largely mitigated by the Group holding 83% of its cash and Term Deposit balances in USD denominated accounts during the year ended 31 December 2017. Following the completion of the accelerated entitlement offer in June 2018, the Group will work towards a similar ratio of USD/AUD cash holdings by 31 December 2018.

Since the Group reports its financial results in AUD, it continues to carry significant currency reporting risks. This is reflected in the current period reported unrealised currency exchange gains of \$1,913,016 (period ended 30 June 2017 unrealised currency exchange losses of \$1,835,919).

### Dividends

No dividends have been paid or declared since the start of the financial year and the Group does not propose to pay a dividend for this reporting period (2017: Nil).

### Events subsequent to reporting date

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

### Indemnification of auditors

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

### Auditor's independence declaration

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

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

On behalf of the Directors

Dated 27 August 2018

.....  
Anthony Klok  
Chairman

**Auditor's Independence Declaration**

DELOITTE letter

## DIRECTORS' DECLARATION

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

1. In the opinion of the Directors:

- (a) The financial statements and notes of Frontier Digital Ventures Limited for the half year ended 30 June 2018:
  - (i) Giving a true and fair view of the financial position and performance of the Group
  - (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors,

.....  
Anthony Klok  
Chairman  
27 August 2018



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

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

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

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

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

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2018**

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

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

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

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

Note	<-----Attributable to owners of the Company----->							Non-controlling interests	Total equity
	Share capital	Share rights plan reserves	Other equity	Foreign currency translation reserves	Accumulated losses	Total			
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at 1 January 2017 (restated)</b>	<b>57,717,472</b>	<b>641,313</b>	<b>195,891</b>	<b>(731,239)</b>	<b>(5,379,894)</b>	<b>52,443,543</b>	<b>4,794,639</b>		<b>57,238,182</b>
Loss for the period	-	-	-	-	(5,973,917)	(5,973,917)	(1,554,821)		(7,528,738)
Foreign currency translation differences	-	-	-	(597,487)	-	(597,487)	(52,365)		(649,852)
Total comprehensive loss for the period	-	-	-	(597,487)	(5,973,917)	(6,571,404)	(1,607,186)		(8,178,590)
Acquisition of subsidiaries	11	1,626,967	-	-	-	1,626,967	1,144,615		2,771,582
Increase in shareholding in subsidiaries		-	-	280,678	-	280,678	(282,396)		(1,718)
Transaction costs relating to shares issued	11	(36,999)	-	-	-	(36,999)	-		(36,999)
Share based payments		583,350	(47,230)	(57,292)	-	478,828	-		478,828
<b>Balance as at 30 June 2017 (restated)</b>	<b>59,890,790</b>	<b>594,083</b>	<b>419,277</b>	<b>(1,328,726)</b>	<b>(11,353,811)</b>	<b>48,221,613</b>	<b>4,049,672</b>		<b>52,271,285</b>
<b>Balance as at 1 January 2018</b>	<b>60,118,042</b>	<b>740,431</b>	<b>780,705</b>	<b>(863,768)</b>	<b>(19,274,395)</b>	<b>41,501,015</b>	<b>4,014,000</b>		<b>45,515,015</b>
Loss for the period	-	-	-	-	(2,185,431)	(2,185,431)	(2,277,444)		(4,462,875)
Foreign currency translation differences	-	-	-	937,054	-	937,054	77,152		1,014,206
Total comprehensive loss for the period	-	-	-	937,054	(2,185,431)	(1,248,377)	(2,200,292)		(3,448,669)
Shares issued during the period	11	14,402,484	-	-	-	14,402,484	-		14,402,484
Disposal of subsidiaries		-	-	-	-	-	(435,071)		(435,071)
Increase in shareholding in subsidiaries		-	-	79,749	-	79,749	(79,749)		-
Transaction costs relating to shares issued	11	(1,056,616)	-	-	-	(1,056,616)	-		(1,056,616)
Share based payments		545,065	(220,328)	(48,523)	-	276,214	-		276,214
<b>Balance as at 30 June 2018</b>	<b>74,008,975</b>	<b>520,103</b>	<b>811,931</b>	<b>73,286</b>	<b>(21,459,826)</b>	<b>53,954,469</b>	<b>1,298,888</b>		<b>55,253,357</b>

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

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

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

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

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

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. General information

The financial statements for the half year ended 30 June 2018 were authorised for issue in accordance with a resolution on the 27 August 2018 have been reviewed, not audited.

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

### 2. Summary of significant accounting policies

#### Statement of compliance

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

#### Basis of preparation

The half year financial report does not include all notes of the type that are normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance of the consolidated entity as the full financial report. It is recommended that the half year financial report be read in conjunction with the annual report for the year ended 31 December 2017 and considered together with any public announcements made by Frontier Digital Ventures Limited during the 6 months ended 30 June 2018, in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's 2017 annual financial report for the financial year ended 31 December 2017, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### Adoption of new and amended standards

The group has applied the following standards and amendments for the first time for the reporting period commencing 1 January 2018:

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

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

#### New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not been early adopted by the group. The Group is currently assessing the impact of the new standards and interpretations below.

##### i) AASB 16 Leases

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

The accounting for lessors will not significantly change.

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

### 3. Segment information

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

### 3. Segment information (cont'd)

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

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

- Autodeal.com.ph
- CarsDB.com
- Encuentra 24.com
- Hoppler.com.ph
- iMyanmarhouse.com
- LankaPropertyWeb.com
- Meqasa.com
- TechAfrica (Angolacarro.com and Angocasa.com)
- ToLet.com.ng
- Corporate (representing the cost of administrating the Company and the Group)

The performances of the operating segments are primarily assessed using a measure of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA, see below). The segments' revenue and assets are also assessed on a monthly basis. Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies. The performance of associate companies is laid out in note 10.

#### Segment revenues and results

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

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

### 3. Segment information (cont'd)

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

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

All revenues are generated from external customers. No single customer contributes 10% or more to the Group's revenue for half year ended 2017 or 2018.

#### Segment assets and liabilities

	Segment assets	
	30 Jun 2018 \$	31 Dec 2017 \$
Autodeal	4,684,461	4,462,686
CarsDB	3,566,327	3,461,402
Carwangu	-	655
CasaMozambique	-	67,583
Encuentra24	9,563,501	9,889,163
Hoppler	1,634,064	1,747,904
iMyanmarhouse	3,263,290	3,287,221
LankaPropertyWeb	770,216	787,046
Meqasa	2,665,688	2,643,368
Propzy	-	2,576,850
TechAfrica	1,009,607	1,016,159
ToLet	1,524,697	1,569,898
Corporate (and consolidation)	29,652,658	17,416,812
<b>Total segment assets</b>	<b>58,334,509</b>	<b>48,926,747</b>
<b>Consolidated total assets</b>	<b>58,334,509</b>	<b>48,926,747</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 8 and 9.

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



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

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

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

**5. Significant balances**

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

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

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

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

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

## 6. Financial instruments

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

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

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

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

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

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

The convertible loan notes mature on 3 October 2022.

## 7. Comparative adjustment of condensed consolidated statement of financial position

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

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

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

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

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

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

## 8. Intangible assets

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

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

## 9. Goodwill

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

Goodwill relates to cash generating units as follows:

	30 Jun 2018 \$	31 Dec 2017 \$
Autodeal	2,323,654	2,206,530
CarsDB	3,301,882	3,135,450
Encuentra24	5,396,971	5,124,935
Hoppler	765,626	732,370
iMyanmarhouse	2,058,784	1,971,266
LankaPropertyWeb	367,864	349,322
Meqasa	1,494,866	1,419,517
Propzy	-	498,114
TechAfrica	187,297	177,856
ToLet	894,555	849,465
<b>Total Goodwill</b>	<b>16,791,499</b>	<b>16,464,825</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 appropriate for the market the CGU operates. Management annually reviews the carrying amounts of CGUs, which include carrying amounts of goodwill and intangible assets, to determine whether there are indications that CGUs are impaired.

## 10. Investments in associates

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

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

### *Impairment review*

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

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

## 10. Investments in associates (cont'd)

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

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

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

## 10. Investments in associates (cont'd)

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

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

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

## 10. Investments in associates (cont'd)

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

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

  

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

## 10. Investments in associates (cont'd)

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

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

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

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



## 10. Investments in associates (cont'd)

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

Operating Company	Half year 2018					Half year 2017				
	Net loss before unrealised foreign exchange (losses)	Unrealised foreign exchange (losses)	Other comprehensive income	Amortisation and impairment loss of intangible assets	Total comprehensive income	Net loss before unrealised foreign exchange (losses)	Unrealised foreign exchange gains/(losses)	Other comprehensive income	Amortisation of intangible assets	Total comprehensive income
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	(1,420,428)	(2,138,805)	1,971,877	(406,650)	(1,994,006)	(3,232,268)	1,100,615	566,297	(416,245)	(1,981,601)
Pakwheels	(528,429)	(534,161)	495,330	(79,308)	(646,568)	(489,118)	(270)	(66,884)	(81,180)	(637,452)
Propzy	(1,205,782)	(32,158)	23,973	(87,469)	(1,301,436)	-	-	-	-	-
Kupatana	(228,324)	(6,675)	(14,187)	(28,831)	(278,017)	(483,685)	(17,381)	14,574	(25,584)	(512,076)
Infocasas	(43,532)	(69,308)	70,514	(78,826)	(121,152)	-	-	-	-	-
Other associates										
- Step acquisition	-	-	-	-	-	(51,967)	-	(39,137)	(26,162)	(117,266)
- Others	(98,523)	-	(6,166)	(9,488)	(114,177)	(132,795)	-	19,840	(9,712)	(122,667)
	(3,525,018)	(2,781,107)	2,541,341	(690,572)	(4,455,356)	(4,389,833)	1,082,964	494,690	(558,883)	(3,371,062)

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

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

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

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

## 11. Share capital

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

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

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

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

## 12. Business Combinations

### 12.1 Increase in equity interest in Autodeal

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

### 12.2 Controlled entities acquired in the year ended 31 December 2017

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

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

### 13. Discontinued operations

#### 13.1 Disposal of Carwangu

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

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

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

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

#### 13.2 Disposal of CasaMozambique

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

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

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

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

### 13. Discontinued operations (cont'd)

#### 13.3 Deemed disposal of Propzy

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

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

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

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

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

**13. Discontinued operations (cont'd)**

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

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

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

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

#### 14. Unexercised call options and convertible loan notes

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

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

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

\*Note 6 – Financial instruments

#### 15. Notes to the condensed consolidated statement of cash flows

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

#### 16. Contingencies

Various claims arise in the ordinary course of business against Frontier Digital Ventures Limited and its subsidiaries. The amount of the liability (if any) at 30 June 2018 cannot be ascertained and the Directors believe that any resulting liability would not materially affect the financial position of the Group.

#### 17. Subsequent events

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

**INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT TO THE MEMBERS OF  
FRONTIER DIGITAL VENTURES LIMITED**





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