

Appendix 4D

PRELIMINARY FINANCIAL REPORT

Results for announcement to the Market.

Information for the half year ended 30 June 2023 given to ASX under listing rule 4.2A.3

Key Frontier Digital Ventures Limited information

	Current reporting period	Previous reporting period		
	1H 2023	1H 2022	Change	
	A\$000	A\$000	A\$000	%
Group Statutory Revenue	31,181	29,197	1,984	7%
Group Operating Expenses	(30,274)	(31,666)	1,392	4%
Group Statutory EBITDA	907	(2,470)	3,377	137%
EBITDA from Associates	617	2,422	(1,805)	(75%)
Group Operating EBITDA (inc. Associates)¹	1,524	(48)	1,572	3275%
Profit / (Loss) after tax attributable to members	(9,907)	(8,731)	(1,176)	(13%)
	Cents			
NTA per Share	0.038	(0.008)	0.046	575%

Notes

1. Group operating EBITDA are non-IFRS measures that are defined as EBITDA from continuing operations of Controlled Entities adjusted for equity accounted entities (Zameen and Pakwheels). The Board believes these results provide the best measure to assess the performance of Frontier Digital Ventures. Refer to the following page for further details.

Dividends

Frontier Digital Ventures Limited does not propose paying a dividend for this reporting period (2022: nil) and no dividends were declared or paid for the reporting period. There were no dividend reinvestment plans in operation for the reporting period.

Basis of this report

This report is based on the attached interim financial report of Frontier Digital Ventures Limited and controlled entities for the period ended 30 June 2023 which has been subject to review by the Company's external auditors and should be read in conjunction with Frontier's Annual Report for the year ended 31 December 2022. This report is lodged with the Australian Securities Exchange under listing rule 4.2A.

Additional Appendix 4D disclosure requirements can be found in the notes to the interim financial report and the Directors' Report for the half-year ended 30 June 2023.

For and on behalf of the Board



Anthony Klok
Chairman

29 August 2023

Appendix 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Frontier Digital Ventures Limited for the half year ended 30 June 2023

Reconciliation of operating results to statutory results

	1H 2023 A\$000	1H 2022 A\$000	Change A\$000	%
Summary of core operating results				
Group Statutory Revenue¹	31,181	29,197	1,984	7%
Group Operating Expenses	(30,274)	(31,666)	1,392	4%
Group Statutory EBITDA ²	907	(2,470)	3,377	137%
Group EBITDA % margin	3%	(8%)	11%	134%
EBITDA from Associates	617	2,422	(1,805)	(75%)
Group Operating EBITDA (inc. Associates)	1,524	(48)	1,572	3275%
Foreign exchange gain/(loss)	453	407	46	11%
Depreciation and amortisation ³	(3,981)	(6,346)	2,365	37%
EBIT	(2,620)	(8,409)	5,789	69%
Other significant items ⁴	(2,095)	(159)	(1,936)	(1218%)
Profit before tax	(4,715)	(8,569)	3,854	45%
Income tax benefit	563	321	242	75%
Profit/(Loss) from Associates	(6,266)	(1,388)	(4,878)	(351%)
EBITDA from Associates	617	2,422	(1,805)	(75%)
Associates' depreciation and amortisation	(769)	(946)	177	19%
Associates' foreign exchange gain/(loss)	(5,798)	(1,953)	(3,845)	(197%)
Associates' other significant items ⁵	(315)	(910)	595	65%
Net profit/(loss) after tax	(10,418)	(9,635)	(783)	(8%)
Net profit/(loss) attributable to NCI	(511)	(904)	393	43%
Profit/(Loss) after tax attributable to members	(9,907)	(8,731)	(1,176)	-13%

Notes

- Revenue from Controlled entities and Group Statutory EBITDA are non-IFRS measures that are defined as revenue and EBITDA from continuing operations of Controlled 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.
- Group statutory EBITDA refers to EBITDA for consolidated entities and excludes EBITDA from equity accounted entities (Zameen and PakWheels).
- Depreciation and amortisation of the controlled entities are primarily attributable to internally generated intangible online development costs which are mainly contributed by Yapo, Fincaraiz and Avito.
- Other significant items are attributable to net finance costs, non-cash impairment losses (A\$1.6m) of CarsDB goodwill and fair value/present value adjustments.
- Associates' other significant items are attributable to depreciation and amortisation, interest expense, interest income and other items.

Commentary on results

- Group statutory revenue:** A\$31.2m revenue from continuing operations in 1H FY23, driven by organic growth in 360 LATAM (7%) and FDV Asia (15%).
- Group operating EBITDA:** A\$1.5m in 1H 2023 including A\$1.8m (360 LATAM), A\$0.4m (MMG), A\$0.3m (FDV Asia) and A\$0.6m from FDV Asia Associates, offset by corporate costs of A\$1.6m. Group operating EBITDA is inclusive of equity-settled share-based payments totalling A\$0.4m¹.
- Depreciation & amortisation:** A\$2.4m improvement in D&A driven by amortisation of domains, brands and trademarks. Of the \$4.0m D&A in 1H 2023, \$3m was attributed to acquisitions of Avito, Fincaraiz and Yapo, with \$1m from ongoing operations.
- Other significant items:** Increase largely attributed to a non-cash impairment loss (A\$1.6m) of CarsDB goodwill following the combination with iMyanmarhouse to consolidate the leading real estate and auto marketplaces in Myanmar and fair value/present value adjustments from settlement of 360 LATAM related contingent considerations.
- Associates' foreign exchange loss:** non-cash FX adjustments following revaluation of related party loans held between Zameen and its parent entity.
- Associates' other significant items:** depreciation and amortization, interest expense, interest income and other items.

FRONT:ER

DIGITAL VENTURES

ABN 25 609 183 959

Interim Financial Statements

For the half year ended 30 June 2023

*Leading online classifieds marketplaces
in emerging regions*



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The Directors of Frontier Digital Ventures Limited ("the Company" or "FDV") submit the interim financial report of the Company and its subsidiaries ("the Group") for the half year ended 30 June 2023. 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 half year ended 30 June 2023 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

Principal activities

FDV is a leading owner and operator of online classifieds marketplaces ("Operating Companies") in fast growing emerging regions. Currently, FDV operates across three regions – 360 LATAM, MENA Marketplaces Group and FDV Asia. FDV works alongside local management teams across property, automotive and general classifieds, providing strategic oversight and operational guidance which leverages FDV's deep classifieds experience and proven track record. FDV seeks to unlock further monetisation opportunities beyond the typical classifieds revenue, to grow the equity value of its operating companies and realise their full potential.

The principal activity of the Group during the half year was operating developing online classifieds businesses ("Operating Companies") in emerging and developing countries or regions ("Target Markets") which are in earlier stages of online development, but 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 Southeast 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 period end, the portfolio consisted of fifteen investments, with thirteen accounted for as Controlled Entities on a Consolidated basis and two reported as Associates under the equity method in accordance with AASB 128.

FDV reports Group operating revenue of \$37,912,996 in 1H 2023 (1H 2022: \$42,962,465), which consists of \$31,180,584 from Controlled Entities and \$6,732,412 from equity accounted entities. The corresponding group operating EBITDA gain was \$1,523,812 in 1H 2023 (1H 2022: (\$47,944)), which consists of Group Statutory EBITDA from continuing operations of Controlled Entities of \$907,056 and EBITDA from Associates of \$616,756.

Review of Operations (cont'd)

	1H 2023 A\$000	1H 2022 A\$000	Change	
			A\$000	%
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3. Depreciation and amortization of the controlled entities are primarily attributable to internally generated intangible online development costs which are mainly contributed by Yapo, Fincaraiz and Avito.
4. Other significant items are attributable to net finance costs, non-cash impairment losses (A\$1.6m) of CarsDB goodwill and fair value/present value adjustments.
5. Associates' other significant items are attributable to depreciation and amortization, interest expense, interest income and other items.

Following the introduction of a local management team in 2H 2022, FDV LATAM completed a rebranding to 360 LATAM in 1H 2023. The region achieved strong financial performance, supported by initiatives including optimised digital marketing strategies and offline consumer events held for property. 360 LATAM also launched Iris, a Multiple Listing Service (MLS) platform across Colombia and Chile, which allows brokers to see one another's listings of properties for sale. This is expected to be rolled-out across other 360 LATAM markets in 2H 2023, driving growth in transactions and commission revenues.

Review of Operations (cont'd)

FDV MENA rebranded to MENA Marketplaces Group in 1H 2023. The region introduced new initiatives, including new marketing campaigns for agents, more intelligent ad placement, and offline consumer events for auto. The revised promotional strategies, particularly the offline consumer events, position the region to achieve its planned transaction monetisation strategy and supports long-term sustainable growth.

Both FDV Asia's consolidated and equity accounted entities completed a number of initiatives to drive engagement and operating metrics in 1H 2023. Zameen in Pakistan successfully rolled-out a brand campaign across both out-of-home and digital platforms, and AutoDeal in the Philippines released a refreshed consumer app, expected to drive users and website sessions. FDV Asia also consolidated its position in Myanmar through uniting CarsDB and iMyanmarHouse to create the largest online classifieds group in the country, offering comprehensive services in both real estate and automotive sectors.

Economic conditions were challenging in Pakistan in 1H 2023. Notably, however, Zameen saw an improvement in revenue in June 2023 and was EBITDA positive across 1H 2023. Key operating metrics for Zameen also remained stable in June 2023 relative to June 2022, reflecting Zameen's strong market position and brand advantage over competitors. Subsequent to half year end in July 2023, the IMF approved a A\$4.5bn funding package to support the Pakistani economy, providing stability and an uplift in sentiment.

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 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 companies of the Group as well as a few significant subsidiaries. The Group held 33% (31 December 2022: 5%) of its cash balances in USD denominated accounts at the period end. Since the Group reports its financial results in AUD, it continues to carry significant currency reporting risks. The current period reported a currency exchange gain of \$453,231 (period ended 30 June 2022 currency exchange gain of \$406,788).

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 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, 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.

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

Geo-political risks

Political uncertainty and potential changes in government policies exist in several countries within the LATAM region. Countries have experienced shifts in regulatory environments, requiring diligent monitoring by management to implement necessary checks and risk mitigation measures. Despite proactive efforts, the possibility of risk persists that economic conditions within the LATAM region could be influenced by these geopolitical factors.

DIRECTORS' REPORT (cont'd)

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.

People

FDV Group relies on senior key personnel in different markets with expertise and knowledge particular to classified businesses. Significant efforts are spent on developing systems, talent management practices in incentives, remuneration and employee development to retain these individuals but risks can emerge upon departure or incapacitation which may have an adverse effect on the operational and financial performance of the businesses.

Regulatory

FDV Group (and its portfolio companies) operate in a complex regulatory compliance environment: different country specific rules for accounting, legal and tax compliance at federal, state and municipal levels exist. Significant resources and management attention are spent ensuring responsibilities in this area are managed appropriately but risks can emerge in these regulatory frameworks.

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 (2022: NIL).

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 significantly affect the operations of the Group, the results of those operations, or state of affairs of the Group in future years.

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 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 4.

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

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.



Anthony Klok
Chairman

29 August 2023

AUDITOR'S INDEPENDENCE DECLARATION

PKF Brisbane Audit



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 half-year ended 30 June 2023, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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

PKF BRISBANE AUDIT

A handwritten signature in black ink, appearing to read 'S. Lindemann', is written over a light blue horizontal line.

SHAUN LINDEMANN
PARTNER

29 AUGUST 2023
BRISBANE

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DIRECTORS' DECLARATION

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

1. In the opinion of the Directors:

- (a) The financial statements and notes of Frontier Digital Ventures Limited for the half year ended 30 June 2023:
 - (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) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.



Anthony Klok
Chairman

29 August 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half year ended 30 June 2023

	Note	Half year ended	
		30 Jun 2023 \$	30 Jun 2022 \$
Revenue	3	31,180,584	29,197,366
Administrative expenses		(1,901,667)	(1,668,142)
Production costs		(8,057,278)	(7,197,224)
Employment expenses		(11,596,396)	(13,715,631)
Advertising and marketing expenses		(4,679,534)	(5,192,772)
Premises and infrastructure expenses		(3,517,275)	(3,449,226)
Transaction advisory costs		(3,349)	(95,516)
Other expenses		(518,029)	(348,430)
Foreign exchange gain		453,231	406,788
Depreciation and amortisation		(3,980,577)	(6,346,424)
Operating profit/(loss)		(2,620,290)	(8,409,211)
Interest income		176,723	76,887
Interest expense		(703,119)	(72,747)
Fair value from contingent consideration		62,761	1,240,064
Impairment of goodwill		(1,631,074)	(1,403,797)
Share of net (loss)/profit from associates			
- Share of net (loss)/profit before foreign exchange loss		(467,404)	565,693
- Share of foreign exchange loss		(5,798,279)	(1,953,335)
	8	(6,265,683)	(1,387,642)
Profit/(Loss) before income tax		(10,980,682)	(9,956,446)
Income tax benefit		562,867	321,445
Net profit/(loss) after tax		(10,417,815)	(9,635,001)
Other comprehensive income, net of tax			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		3,951,949	2,533,590
Share of other comprehensive income of associates	8	1,861,938	1,387,226
Other comprehensive income for the period, net of tax		5,813,887	3,920,816
Total comprehensive profit/(loss) for the period		(4,603,928)	(5,714,185)
Profit/(Loss) attributable to:			
Owners of the Company		(9,906,806)	(8,731,331)
Non-controlling interests		(511,009)	(903,670)
		(10,417,815)	(9,635,001)
Total comprehensive profit/(loss) attributable to:			
Owners of the Company		(5,639,197)	(6,046,088)
Non-controlling interests		1,035,269	331,903
		(4,603,928)	(5,714,185)
		Cents	Cents
Profit/(Loss) per share attributable to the ordinary equity holders of the Company:			
Basic profit/(loss) per share		(2.50)	(2.31)
Diluted profit/(loss) per share		(2.50)	(2.31)

Notes to the condensed consolidated financial statements are included on pages 11 to 27.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		Half year ended	
	Note	30 Jun 2023 \$	30 Jun 2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	14,944,525	16,577,594
Term deposits		-	10,044,067
Trade and other receivables	5	18,212,978	13,993,104
Other assets		13,667	13,688
Other financial assets	5	1,348,055	1,268,876
Tax receivables		261,897	307,815
Total current assets		34,781,122	42,205,144
Non-current assets			
Property, plant and equipment		1,774,866	1,853,759
Right-of-use assets	5	613,366	856,756
Other intangible assets	6	17,293,362	18,561,364
Goodwill	7	97,651,673	96,709,715
Investments in Associates	8	4,497,165	8,723,549
Deferred tax assets		133,637	115,560
Total non-current assets		121,964,069	126,820,703
Total assets		156,745,191	169,025,847
LIABILITIES			
Current liabilities			
Trade and other payables	5	20,331,168	17,296,080
Borrowings	5	76,570	190,416
Billings in advance		2,689,649	2,562,728
Current lease liabilities	5	680,539	985,357
Contingent consideration	5	-	34,115,355
Total current liabilities		23,777,926	55,149,936
Non-current liabilities			
Deferred tax liability		1,561,361	2,250,369
Borrowings	5	167,576	169,044
Non-current lease liabilities	5	26,446	142,335
Long term contingent consideration	5	-	-
Total non-current liabilities		1,755,383	2,561,748
Total liabilities		25,533,309	57,711,684
NET ASSETS		131,211,882	111,314,163
EQUITY			
Share capital	9	260,699,607	236,192,945
Reserves		(51,227,497)	(55,490,093)
Accumulated losses		(76,461,879)	(66,555,073)
		133,010,231	114,147,779
Non-controlling interests		(1,798,349)	(2,833,616)
TOTAL EQUITY		131,211,882	111,314,163

Notes to the condensed consolidated financial statements are included on pages 11 to 27.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2023

Note	Attributable to owners of the Company					Total \$	Non- controlling interests \$	Total equity \$
	Share capital \$	Share rights plan reserves \$	Other equity \$	Foreign currency translation reserves \$	Accumulated losses \$			
Balance as at 1 January 2022	218,918,649	267,745	(58,665,758)	1,308,323	(56,318,133)	105,510,826	(2,800,275)	102,710,551
Profit/(Loss) for the period	-	-	-	-	(8,731,331)	(8,731,331)	(903,670)	(9,635,001)
Foreign currency translation differences	-	-	-	2,685,243	-	2,685,243	1,235,573	3,920,816
Total comprehensive loss for the period	-	-	-	2,685,243	(8,731,331)	(6,046,088)	331,903	(5,714,185)
Share issued during the period	18,943,000	-	-	-	-	18,943,000	-	18,943,000
Transaction costs relating to shares issued	(2,157,859)	-	-	-	-	(2,157,859)	-	(2,157,859)
Share based payments	456,098	125,464	(60,000)	-	-	521,562	-	521,562
Balance as at 30 June 2022	236,159,888	393,209	(58,725,758)	3,993,566	(65,049,464)	116,771,441	(2,468,372)	114,303,069
Balance as at 1 January 2023	236,192,945	585,178	(58,725,758)	2,650,487	(66,555,073)	114,147,779	(2,833,616)	111,314,163
Profit/(Loss) for the period	-	-	-	-	(9,906,806)	(9,906,806)	(511,009)	(10,417,815)
Foreign currency translation differences	-	-	-	4,267,608	-	4,267,608	1,546,276	5,813,884
Total comprehensive loss for the period	-	-	-	4,267,608	(9,906,806)	(5,639,198)	1,035,267	(4,603,931)
Share issued during the period	17,057,734	-	-	-	-	17,057,734	-	17,057,734
Share issued as consideration for business combination, net of transaction costs and tax	8,523,784	-	-	-	-	8,523,784	-	8,523,784
Transaction costs relating to shares issued	9 (1,435,275)	-	-	-	-	(1,435,275)	-	(1,435,275)
Share based payments	360,419	(5,012)	-	-	-	355,407	-	355,407
Balance as at 30 June 2023	260,699,607	580,166	(58,725,758)	6,918,095	(76,461,879)	133,010,231	(1,798,349)	131,211,882

Notes to the condensed consolidated financial statements are included on pages 11 to 27.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 30 June 2023

	Note	Half year ended	
		30 Jun 2023 \$	30 Jun 2022 \$
Cash used in operations		451,462	(2,672,807)
Interest paid		(70,244)	(72,747)
Interest received		132,332	35,194
Net cash inflow/(outflow) from operating activities	11	513,550	(2,710,360)
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(457,573)
Purchase of other intangible assets		-	(2,901,985)
Settlement of contingent consideration		(26,161,686)	(16,070,397)
Net investment in term deposits		10,000,000	-
Net cash outflow from investing activities		(16,161,686)	(19,429,955)
Cash flows from financing activities			
Payment of capitalised transaction costs related to issuance of shares		(1,435,275)	(2,157,859)
Net repayments of other borrowings		(125,501)	(129,354)
Principal elements of lease payments		(209,857)	(239,764)
Proceed from issuance of shares		17,057,734	18,943,000
Net cash inflow/(outflow) from financing activities		15,287,101	16,416,023
Net decrease in cash and cash equivalents		(361,035)	(5,724,292)
Cash and cash equivalents at beginning of the period		16,577,594	36,120,322
Effects of exchange rate changes on cash and cash equivalents		(1,272,034)	388,913
Cash and cash equivalents at end of the period	4	14,944,525	30,784,943
Non-cash investing and financing activities:			
Settlement of contingent consideration by way of share issue		8,523,784	-

Notes to the condensed consolidated financial statements are included on pages 11 to 27.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

The financial statements for the half year ended 30 June 2023 were authorised for issue in accordance with a resolution passed by the Board of Directors. These financial statements have been reviewed, not audited.

FDV is a leading owner and operator of online classifieds marketplaces ("Operating Companies") in fast growing emerging regions. Currently, FDV operates across three regions – 360 LATAM, MENA Marketplaces Group and FDV Asia. FDV works alongside local management teams across property, automotive and general classifieds, providing strategic oversight and operational guidance which leverages FDV's deep classifieds experience and proven track record. FDV seeks to unlock further monetisation opportunities beyond the typical classifieds revenue, to grow the equity value of its operating companies and realise their full potential.

The principal activity of the Company is to invest in developing online classified marketplaces in emerging regions. The principal activities of its subsidiaries and associated companies are online classified advertising and are headquartered overseas.

2. Summary of significant accounting policies

Going Concern

For the 6 months ending 30 June 2023, the consolidated group made a loss after tax of \$10.4m (30 June 2022: \$9.6m loss) and had net current assets of \$11.0m (30 June 2022: \$12.0m net current liabilities).

The half-year 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 September 2024 which supports the going concern basis, and includes key assumptions relating to:

- Positive cash management focusing on optimising cash collections and expense management throughout the Group.
- Maintaining fiscal performance management in achieving forecast and budgetary EBITDA targets, balancing revenue growth/cost optimisation through nil funding to operating companies except by exception in FY24
- A strategic shift in directing operating entities to be self-funded, less reliant on Group funding and being able to provide cash repatriation to the Group where necessary and when called upon, reflected in positive operating cashflows.

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

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 2022 and considered together with any public announcements made by FDV during the 6 months to 30 June 2023, 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 2022 annual financial report for the financial year ended 31 December 2022, 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.

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

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 2023:

- AASB 2021-2 Amendments to Australian Accounting Standards –Disclosure of Accounting Policies and Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards [AASB 1049, AASB 1054 and AASB 1060]
- AASB 2021-5 Amendments to Australian Accounting Standards –Deferred Tax related to Assets and Liabilities arising from a Single Transaction [AASB 112]
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards

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 2023 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.

Standards/amendment	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2020-1 Amendments to Australian Accounting Standards –Classification of Liabilities as Current or Non-current [AASB 101]	1 January 2024	31 December 2024
AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date [AASB 101]	1 January 2024	31 December 2024
AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants	1 January 2024	31 December 2024
ASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback [AASB 16]	1 January 2024	31 December 2024

3. Segment information

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

Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of performance is focused on each individual business 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 is reviewed separately.

3. Segment information (cont'd)

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
- Moteur.ma
- Propertypro.ng
- Tayara.tn
- Yapo.cl
- Corporate (representing the cost of administering 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 8.

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 2023 \$	30 Jun 2022 \$	30 Jun 2023 \$	30 Jun 2022 \$
<u>Continuing Operations</u>				
Autodeal	1,099,514	986,850	149,586	146,586
Avito	3,611,664	3,436,918	703,443	(713,548)
CarsDB*	77,332	104,107	(37,264)	(98,940)
Encuentra24	5,456,101	4,661,043	666,565	247,782
Fincaraiz	4,577,231	4,613,468	510,251	275,633
Hoppler	314,969	427,504	(53,943)	(236,355)
iMyanmarhouse	854,242	424,481	166,332	56,700
Infocasas	9,353,230	8,525,687	(239,459)	237,103
LankaPropertyWeb	393,901	441,408	48,122	7,074
Meqasa	-	241,979	-	36,062
Moteur	294,144	272,586	88,840	28,646
PropertyPro	203,574	246,279	(23,727)	(24,323)
Tayara	430,489	327,423	(187,392)	(340,889)
Yapo	4,514,193	4,487,633	1,019,612	(374,877)
Corporate (and consolidation)	-	-	(1,537,740)	(1,509,405)
Segment Revenue and Adjusted EBITDA from continuing operations	31,180,584	29,197,366	1,273,225	(2,262,751)

3. Segment information (cont'd)

Segment revenues and results (cont'd)

	Revenue		Segment results	
	Half year ended			
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$	\$	\$	\$
Continuing Operations				
Equity settled share-based payments	-	-	(366,168)	(206,824)
Currency exchange gain	-	-	453,231	406,788
Fair value from contingent consideration	-	-	62,761	1,240,064
Depreciation and amortisation	-	-	(3,980,577)	(6,346,424)
Impairment of goodwill	-	-	(1,631,074)	(1,403,797)
Share of net profit/(loss) from associates	-	-	(6,265,683)	(1,387,642)
Net interest	-	-	(526,396)	4,140
Income tax benefit	-	-	562,867	321,445
Consolidated segment revenue and net profit/(loss) for the period from continuing operations	31,180,584	29,197,366	(10,417,815)	(9,635,001)
Gains on disposal after income tax	-	-	-	-
Consolidated segment revenue and net profit/(loss) for the period	31,180,584	29,197,366	(10,417,815)	(9,635,001)

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 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 2022 or 2023.

* Revenue and results included in segment information are up until the date of cessation of the CarsDB business during the current period. Some assets held by CarsDB were transferred to another controlled entity (iMyanmarhouse) and remaining assets, including goodwill, were written down during the period (as per Notes 6 and 7). The segment revenue and results of CarsDB were not deemed to be material for reclassification to discontinued operations in the current or prior corresponding period.

3. Segment information (cont'd)

Segment assets and liabilities

	Segment assets	
	30 Jun 2023 \$	31 Dec 2022 \$
Autodeal	3,126,974	4,204,672
Avito	17,907,892	21,533,718
CarsDB	30,161	3,159,527
Encuentra24	9,915,335	8,442,430
Fincaraiz	36,590,723	35,005,382
Hoppler	678,128	1,729,625
iMyanmarhouse	3,485,488	3,301,522
Infocasas	23,477,434	19,392,522
LankaPropertyWeb	670,190	754,206
Moteur	4,466,444	4,332,001
PropertyPro	994,294	1,103,051
Tayara	1,474,935	3,561,942
Yapo	31,673,512	30,928,916
Corporate (and consolidation)	22,253,681	31,576,333
Total segment assets	156,745,191	169,025,847
Consolidated total assets	156,745,191	169,025,847

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

	Segment liabilities	
	30 Jun 2023 \$	31 Dec 2022 \$
Autodeal	810,940	574,557
Avito	3,364,186	4,703,293
CarsDB	259,413	400,147
Encuentra24	2,339,390	1,485,100
Fincaraiz	3,751,948	3,048,738
Hoppler	640,879	584,303
iMyanmarhouse	512,598	385,792
Infocasas	8,855,868	5,317,743
LankaPropertyWeb	153,000	106,779
Moteur	317,427	315,478
PropertyPro	302,218	368,539
Tayara	195,279	256,861
Yapo	3,673,545	3,626,562
Corporate (and consolidation)	356,618	36,537,792
Total segment liabilities	25,533,309	57,711,684
Consolidated total liabilities	25,533,309	57,711,684

4. Cash and cash equivalents and term deposits

	30 Jun 2023 \$	31 Dec 2022 \$
Cash at bank and in hand	14,944,525	16,577,594
Term deposits	-	10,044,067

5. Significant balances

	Note	30 Jun 2023 \$	31 Dec 2022 \$
Trade receivables		14,505,466	11,168,991
Other receivables		2,559,326	1,591,114
Prepayments		961,546	1,075,578
Deposits		186,640	157,421
Trade and other receivables		18,212,978	13,993,104
Other financial assets	5.1	1,348,055	1,268,876
Right-of-use assets		613,366	856,756
Trade payables		8,047,983	6,708,747
Other payables		5,131,836	4,367,785
Accruals		7,151,349	6,219,548
Trade and other payables (current liabilities)		20,331,168	17,296,080
Short-term contingent consideration		-	34,115,355
Long-term contingent consideration		-	-
Total contingent consideration at fair value	5.2	-	34,115,355
Current lease liabilities		680,539	985,357
Non-current lease liabilities		26,446	142,335
Total lease liabilities		706,985	1,127,692
Current borrowings		76,570	190,416
Non-current borrowings		167,576	169,044
Borrowings	5.3	244,146	359,460

5. Significant balances (cont'd)

- 5.1 Included in other financial assets is US\$895,123 (AUD equivalent \$1,348,055) (2022: US\$865,123 (AUD equivalent \$1,268,876)) 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 automatically be converted into ordinary shares in Pakwheels should equity financing from the sale of new equity exceed a minimum amount stipulated in the agreement. If the 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 mature on 3 October 2024.

- 5.2 Contingent consideration consists of:
- US\$17,055,405 (AUD equivalent \$24,747,391) (2021: US\$27,892,386 (AUD equivalent \$38,577,959)) payable to the previous vendor shareholders of Infocasas upon achieving the operational targets at the completion of financial year ending 31 December 2021 and financial year ending 31 December 2022; and
 - US\$9,845,849 (AUD equivalents \$14,286,326) (2021: US\$11,132,734 (AUD equivalent \$15,397,684)) payable to the founders of Encuentra24 upon achieving the operational targets at the completion of financial year ending 31 December 2022.
- 5.3 Non-current borrowings of \$71,405 (2022: \$169,044) consist of:
- a loan of USD128,285 (2022: USD128,285) and a CHF denominated loan of CHF62,025 (2022: CHF62,025) which are non-interest bearing and is contingent upon the sale of Encuentra24

6. Intangible assets

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

	30 Jun 2023 \$	31 Dec 2022 \$
Autodeal	1,245,092	1,080,198
Avito	3,459,722	4,562,195
CarsDB	1,342	1,462
Encuentra24	-	568,823
Fincaraiz	4,286,738	4,486,525
Hoppler	308,591	670,407
iMyanmarhouse	489,928	258,131
Infocasas	1,661,625	1,861,725
LankaPropertyWeb	114,073	94,496
Moteur	221,484	257,554
PropertyPro	19,114	37,334
Tayara	576,806	1,261,738
Yapo	5,059,447	4,808,751
Total Intangible Assets	17,443,962	19,949,339

7. Goodwill

	Half year ended 30 Jun 2023 \$	Year ended 31 Dec 2022 \$
Opening balance	96,709,715	94,085,151
Impairment	(1,631,074)	(1,403,797)
Net effect of disposal of subsidiaries	-	(1,615,711)
Exchange difference	2,591,322	5,644,070
Balance at period end	97,651,673	96,709,715

Goodwill relates to cash generating units as follows:

	30 Jun 2023 \$	31 Dec 2022 \$
Autodeal	2,578,793	2,511,498
Avito	12,644,296	12,314,335
CarsDB	-	1,606,322
Encuentra24	5,989,563	5,833,262
Fincaraiz	30,158,144	29,371,148
Hoppler	927,702	903,493
iMyanmarhouse	1,901,064	1,851,455
Infocasas	12,041,941	11,727,699
LankaPropertyWeb	408,257	397,603
Moteur	3,578,703	3,485,314
PropertyPro	992,778	966,871
Tayara	1,928,448	1,878,124
Yapo	24,501,985	23,862,591
Total Goodwill	97,651,673	96,709,715

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 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.

7. Goodwill (Cont'd)

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

Growth rate estimates – Revenue growth rates beyond FY23 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 a 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 annual growth rate of the below identified CGUs.

CarsDB CGU

During the current year, a strategic decision was made to sell the assets of CarsDB, facilitating its integration with IMyanmarHouse. The operations were subsequently wound up. Management identified indicators of impairment on the carrying value of CGU attributed to CarsDB and conducted a detailed impairment assessment.

The assessment considered factors such as the business's recent financial performance, the impact of the asset sale on its future cash flows, industry-specific challenges, and market conditions. Based on the assessment's outcome, management determined that the carrying value of CGU is fully impaired. The amount of the impairment loss is A\$1.6m.

8. Investments in associates

	Half year ended 30 Jun 2023 \$	Year ended 31 Dec 2022 \$
Opening balance	8,723,549	8,798,400
Additions	-	-
Step acquisition	-	-
Share of total comprehensive (loss)/gain	(4,403,746)	(614,852)
Exchange differences	177,362	540,001
Balance at period end	4,497,165	8,723,549

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 2022
			As at 30 Jun 2023	As at 31 Dec 2022	
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 Pte Ltd ("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 Ltd ("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%	

8. Investments in associates (cont'd)

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

Half Year ended 30 June 2023

Operating company	Cost of investment				Share of total comprehensive income				Carrying amount		
	1-Jan-23 \$	Addition \$	Step Acquisition \$	Exchange difference \$	30-Jun-23 \$	1-Jan-23 \$	Addition \$	Step Acquisition \$		Exchange difference \$	30-Jun-23 \$
Zameen	14,960,046	-	-	400,853	15,360,899	(8,118,543)	(4,321,055)		(276,926)	(12,716,524)	2,644,375
Pakwheels	5,133,449	-	-	137,550	5,270,999	(3,251,403)	(82,691)		(84,115)	(3,418,209)	1,852,790
	20,093,495	-	-	538,403	20,631,898	(11,369,946)	(4,403,746)		(361,041)	(16,134,733)	4,497,165

Year ended 31 December 2022

Operating company	Cost of investment				Share of total comprehensive income				Carrying amount		
	1-Jan-22 \$	Addition \$	Disposal \$	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

8. Investments in associates (cont'd)

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

Half Year ended 30 June 2023

Operating Company	Share of associates profit or loss					Share of other comprehensive income					Share of total comprehensive income
	Unrealised foreign exchange gain/(loss)										
	1-Jan-23	Addition	Step Acquisition	30-Jun-23	1-Jan-23	Addition	Step Acquisition	Exchange difference	30-Jun-23		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Zameen	(9,978,527)	(461,466)	(5,223,069)	-	(15,663,062)	1,859,983	1,363,480	-	(276,926)	2,946,537	(12,716,525)
Pakwheels	(4,899,296)	(5,939)	(575,210)	-	(5,480,445)	1,647,895	498,458	-	(84,115)	2,062,238	(3,418,207)
	(14,877,823)	(467,405)	(5,798,279)	-	(21,143,507)	3,507,878	1,861,938	-	(361,041)	5,008,775	(16,134,732)

Half Year ended 30 June 2022

Operating Company	Share of associates profit or loss					Share of other comprehensive income					Share of total comprehensive income
	Unrealised foreign exchange gain/(loss)										
	1-Jan-22	Addition	Step exchange gain/(loss)	Step Acquisition	30-Jun-22	1-Jan-22	Addition	Step Acquisition	Exchange difference	30-Jun-22	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	(9,626,322)	600,481	(1,627,141)	-	(10,652,982)	2,578,521	987,212	-	(386,205)	3,179,528	(7,473,454)
Pakwheels	(4,264,259)	(34,788)	(326,194)	-	(4,625,241)	1,162,270	400,014	-	(151,046)	1,411,238	(3,214,003)
Kupatana	(1,173,106)	-	-	-	(1,173,106)	20,097	-	-	-	20,097	(1,153,009)
	(15,063,687)	565,693	(1,953,335)	-	(16,451,329)	3,760,888	1,387,226	-	(537,251)	4,610,863	(11,840,466)

8. 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 23	Assets					Liabilities				
	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	Financial liabilities	Other non-current liabilities	Total non-current liabilities
Operating Company	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	12,124,797	10,197,500	22,322,297	15,708,882	-	11,922,566	4,720,466	16,643,032	10,319,298	10,319,298
Pakwheels	54,635	599,906	654,541	151,510	-	4,367,417	103,733	4,471,150	-	(3,665,099)
	12,179,432	10,797,406	22,976,838	15,860,392	-	16,289,983	4,824,199	21,114,182	10,319,298	10,319,298
										7,403,750

31 Dec 22	Assets					Liabilities				
	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	Financial liabilities	Other non-current liabilities	Total non-current liabilities
Operating Company	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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
Pakwheels	40,441	619,411	659,852	192,739	-	4,107,599	103,805	4,211,404	-	-
	24,465,990	12,898,099	37,364,089	23,056,071	-	18,555,628	4,977,818	23,533,446	14,653,942	14,653,942
										22,232,772

8. Investments in associates (cont'd)

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

	Half Year ended 30 June 2023					Half Year ended 30 June 2022				
	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 \$
Operating Company										
Zameen	(1,550,740)	(17,551,960)	4,581,931	-	(14,520,770)	2,017,898	(5,467,956)	3,317,496	-	(132,562)
Pakwheels	(16,120)	(1,561,289)	1,352,963	-	(224,446)	(94,426)	(885,386)	1,085,756	-	105,944
	(1,566,860)	(19,113,249)	5,934,894	-	(14,745,216)	1,923,472	(6,353,342)	4,403,252	-	(26,618)

Total revenue generated by operating entities in the period during which they were accounted by the Group as associate companies, using the equity accounting method, is \$22,212,453 (2022: \$45,831,594) as follows:

Operating Company	Half Year 30 June 2023	Half Year 30 June 2022
	\$	\$
Zameen	20,489,486	44,264,484
Pakwheels	1,722,966	1,567,110
	22,212,453	45,831,594

9. Share capital

	30 June 2023 Shares	31 Dec 2022 Shares	30 June 2023 \$	31 Dec 2022 \$
Fully paid ordinary shares				
Opening balance	379,316,247	366,336,307	236,192,945	218,918,649
Issued for cash	32,228,757	12,629,186	17,057,734	18,943,000
Issue for business combinations	21,309,459	-	8,523,784	-
Issued to employees and directors	334,605	350,754	360,419	491,654
	433,189,068	379,316,247	262,134,882	238,353,303
Less: Transaction costs	-	-	(1,435,275)	(2,160,358)
Balance at period end	433,189,068	379,316,247	260,699,607	236,192,945

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

During the half year ended 30 June 2023, 334,605 ordinary shares were issued to employee as share based payments with value of \$360,419.

A further Nil (2022:40,323) ordinary shares were issued to Directors as share based payments with a value of \$Nil (2022: \$60,000).

In the same period, 32,228,757 ordinary shares with value of \$17,057,734 were issued for cash through Share Purchase Plan.

10. Convertible loan notes

As at 30 June 2023, there were convertible loan notes held in the following operating entities.

Operating company	Conversion prior to Maturity Date	Consideration US\$	Interest rate per annum	Balance for conversion at period end US\$	Current shareholding %	Maximum Group equity holding % after conversion
Pakwheels	3 October 2024	600,000	10%	895,123	36.84%	Variable*

*Note 5.1 – Other financial assets

11. Notes to the condensed consolidated statement of cash flows

	Half year ended	
	30 Jun 2023 \$	30 Jun 2022 \$
Cash flows from operating activities		
Net loss before tax	(10,980,682)	(9,956,446)
Adjustments for:		
Amortisation of intangible assets	3,604,101	5,953,488
Depreciation	376,476	392,936
Gain/(loss) on disposal of property, plant and equipment	54,204	26,517
Disposal of Right-of-use assets	-	(31,174)
Net foreign exchange difference	(457,213)	(406,788)
Share of net profit/(loss) from associates	6,265,683	1,387,642
Interest income	(176,723)	(76,887)
Interest expense	703,119	72,747
Non-cash employee benefits expense – share based payments	355,407	521,562
Impairment of goodwill	1,631,074	1,403,797
Fair value from contingent consideration	-	(1,240,064)
	1,312,685	(1,952,670)
Change in operating assets and liabilities:		
Trade and other receivables	(3,791,176)	(1,044,653)
Trade and other payables	2,929,953	324,516
Cash used in operations	451,462	(2,672,807)
Interest paid	(70,244)	(72,747)
Interest received	132,332	35,194
Net cash provided by/(used in) operating activities	513,550	(2,710,360)

12. 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 2023 cannot be ascertained and the Directors believe that any resulting liability would not materially affect the financial position of the Group.

13. 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.

INDEPENDENT AUDITOR'S REVIEW REPORT

to the Members of Frontier Digital Ventures Limited

PKF Brisbane Audit



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FRONTIER DIGITAL VENTURES LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Frontier Digital Ventures Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the company a written Auditor's Independence Declaration.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal control as the directors determine is necessary to enable the

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preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

PKF BRISBANE AUDIT

A handwritten signature in dark ink, appearing to read 'S Lindemann', is positioned above the printed name and title.

SHAUN LINDEMANN
PARTNER

29 AUGUST 2023
BRISBANE

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The Board

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Shaun Antony 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

Chief Executive Officer

Shaun Antony Di Gregorio
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