



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

INTERIM FINANCIAL STATEMENTS  
*For the half year ended 30 June 2021*

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## DIRECTORS' REPORT

The Directors of Frontier Digital Ventures Limited ("the Company" or "Frontier") submit the interim financial report of the Company and its subsidiaries ("the Group") for the half year ended 30 June 2021. 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 2021 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

### Principal activities

The principal activity of the Group during the half year was investing in and operating developing online classifieds businesses ("Operating Companies") in emerging and developing countries or regions ("Target Markets") which are markets at an early stage 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 South East Asia and South America.

### Review of Operations

Due to the nature of Frontier'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 fourteen investments accounted for as Controlled Entities on a Consolidated basis and two investments reported as Associates under the equity method in accordance with AASB 128.

The Group reports revenues from continuing operations of \$21,629,496 (2020: \$8,307,543) and corresponding adjusted loss before interest, tax, depreciation and amortisation (Adjusted EBITDA loss) of \$3,840,779 (2020: \$2,085,415) for the half year period ended 30 June 2021, as detailed in note 3.

	30 Jun 2021 \$	30 Jun 2020 \$
<b>Revenue from continuing operations of Controlled Entities</b>	<b>21,629,496</b>	<b>8,305,706</b>
<i>Corporate revenues</i>	-	1,837
<i>Revenue from continuing operations</i>	21,629,496	8,307,543
Adjusted EBITDA loss from continuing operations of Controlled Entities	(1,703,240)	(735,401)
Corporate and consolidated results	(2,137,539)	(1,350,014)
<b>Adjusted EBITDA loss from continuing operations (Note 3)</b>	<b>(3,840,779)</b>	<b>(2,085,415)</b>
Share of Associate's net profit/(loss) before foreign exchange loss	434,405	(1,098,466)
Gain on disposal of an associate and deemed disposal of Associate shareholding	1,066,718	6,798,910
Impairment of goodwill	(459,218)	-
Net effect of loss and subsequent gain on control of iMyanmarhouse	(542,800)	-
Equity settled share-based payments	(157,603)	(110,725)
Depreciation and amortisation	(5,586,974)	(1,683,011)
<b>(Loss)/Profit from continuing operations before unrealised foreign exchange gain</b>	<b>(9,086,251)</b>	<b>1,821,293</b>
Unrealised currency exchange gain	1,973,082	905,953
Share of Associate's unrealised foreign exchange loss	(200,963)	(579,969)
Loss on disposal of a subsidiary	-	(267,935)
<b>(Loss)/Profit before interest and tax (EBIT)</b>	<b>(7,314,132)</b>	<b>1,879,342</b>
Net interest (paid)/received	(2,664)	85,925
Income tax benefit	246,348	31,727
<b>Net (loss)/profit after tax</b>	<b>(7,070,448)</b>	<b>1,996,994</b>

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

## Directors' Report (cont'd)

### Review of Operations (cont'd)

On 24 February 2021, the Group entered into the sale and purchase agreement to acquire from Adevinta ASA 100% of the issued capital of Yapo.cl ("Yapo") with cash consideration of EUR15,998,901 (AUD equivalent 24,521,407). Yapo is the leading general classifieds business in Chile with high value auto and real estate verticals. This strategic acquisition further strengthens the Group's market position in Latin America through entry into a new market, complementing existing market position held by Fincaraiz, Infocasas and Encuentra24.

During the period, the Group also acquired the remaining interests in two operating companies, Moteur and Infocasas to 100%. These investments are consistent with FDV's desire to increase its ownership of the best operating companies in its portfolio.

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 company of the Group as well as a few significant subsidiaries. The Group held 47% (31 December 2020: 24%) 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 unrealised currency exchange gain of \$1,973,082 (period ended 30 June 2020 unrealised currency exchange gain of \$905,953).

### 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 (2020: Nil).

### Events subsequent to reporting date

#### COVID-19

The Group will continue to assess and monitor the COVID-19 situation closely as well as the measures imposed by the Governments of the respective countries where the Group operates. Although the duration and ultimate impact COVID-19 will have on world economies remains unknown, the Group and its operating businesses are well capitalised and are in a strong position to navigate the uncertainty COVID-19 has presented to businesses worldwide.

#### Other subsequent events

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

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

### 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.

**Dated 24 August 2021**



.....  
**Anthony Klok**  
Chairman

24 August 2021

The Board of Directors  
Frontier Digital Ventures Limited  
Level 7, 300 Collins Street  
MELBOURNE VIC 3000

Dear Board Members

### **Auditor's Independence Declaration to Frontier Digital Ventures Limited**

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

As lead audit partner for the review of the half year financial report of Frontier Digital Ventures Limited for the half year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Anneke du Toit  
Partner  
Chartered Accountants

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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 2021:
  - (i) Give 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.

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



.....  
Anthony Klok  
Chairman  
24 August 2021

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
*for the half year ended 30 June 2021*

	Note	Half year ended	
		30 Jun 2021	30 Jun 2020
		\$	\$
<b>Continuing operations</b>			
Revenue	3	21,629,496	8,307,543
Administrative expenses		(1,649,411)	(1,099,563)
Offline production costs		(3,437,056)	(1,326,528)
Employment expenses		(12,040,102)	(4,557,537)
Advertising and marketing expenses		(4,307,521)	(1,688,711)
Premises and infrastructure expenses		(2,970,608)	(1,165,619)
Transaction advisory costs		(399,352)	(34,774)
Other expenses		(823,828)	(630,951)
Unrealised foreign exchange gain		1,973,082	905,953
Depreciation and amortisation		(5,586,974)	(1,683,011)
<b>Operating loss from continuing operations</b>		<b>(7,612,274)</b>	<b>(2,973,198)</b>
Interest income		44,578	144,298
Interest expense		(47,242)	(58,373)
Gain on deemed disposal of an associate	8	1,066,718	-
Gain from disposal of Associate		-	6,798,910
Impairment of goodwill		(459,218)	-
Net effect of loss and subsequent gain on control of iMyanmarhouse	11	(542,800)	-
Share of net loss of associates			
- Share of net profit/(loss) before foreign exchange loss		434,405	(1,098,466)
- Share of foreign exchange loss		(200,963)	(579,969)
	8	233,442	(1,678,435)
<b>(Loss)/Profit before income tax</b>		<b>(7,316,796)</b>	<b>2,233,202</b>
Income tax benefit		246,348	31,727
<b>Net (loss)/profit from continuing operations</b>		<b>(7,070,448)</b>	<b>2,264,929</b>
Net loss after tax from discontinued operation		-	-
Loss on disposal after income tax		-	(267,935)
<b>Net (loss)/profit after tax</b>		<b>(7,070,448)</b>	<b>1,996,994</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		39,474	(81,449)
Share of other comprehensive income of associates	8	296,775	135,147
Other comprehensive income for the period, net of tax		336,249	53,698
<b>Total comprehensive (loss)/income for the period</b>		<b>(6,734,199)</b>	<b>2,050,692</b>
<b>(Loss)/Profit attributable to:</b>			
Owners of the Company		(4,328,899)	3,190,317
Non-controlling interests		(2,741,549)	(1,193,323)
		<b>(7,070,448)</b>	<b>1,996,994</b>
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company		(3,803,057)	2,598,458
Non-controlling interests		(2,931,142)	(547,766)
		<b>(6,734,199)</b>	<b>2,050,692</b>

Notes to the condensed consolidated financial statements are included on pages 12 to 28.



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
*for the half year ended 30 June 2021*

	Half year ended	
	30 Jun 2021	30 Jun 2020
	\$	\$
<b>Total comprehensive (loss)/income attributable to owners of the Company arises from:</b>		
Continuing operations	(3,803,057)	2,866,393
Discontinued operations	-	(267,935)
	<b>(3,803,057)</b>	<b>2,598,458</b>
	<b>Cents</b>	<b>Cents</b>
<b>(Loss)/Earnings per share from continuing operations attributable</b>		
Basic (loss)/earnings per share	(1.26)	1.35
Diluted (loss)/earnings per share	(1.26)	1.35
<b>(Loss)/Earnings per share attributable to the ordinary equity holders of the Company:</b>		
Basic (loss)/earnings per share	(1.26)	1.25
Diluted (loss)/earnings per share	(1.26)	1.25

Notes to the condensed consolidated financial statements are included on pages 12 to 28.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*As at 30 June 2021*

	Note	30 Jun 2021 \$	31 Dec 2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	18,704,221	59,159,608
Trade and other receivables	5	11,187,387	9,813,850
Other assets		20,954	25,607
Other financial assets	5	1,021,224	981,401
Tax receivables		453,886	234,631
<b>Total current assets</b>		<b>31,387,672</b>	<b>70,215,097</b>
<b>Non-current assets</b>			
Property, plant and equipment		2,139,172	1,871,486
Right-of-use assets	5	717,049	691,169
Other intangible assets	6	24,491,048	22,519,825
Goodwill	7	89,622,722	64,779,025
Investments in Associates	8	6,649,429	5,714,314
Deferred tax assets		174,736	156,931
<b>Total non-current assets</b>		<b>123,794,156</b>	<b>95,732,750</b>
<b>Total assets</b>		<b>155,181,828</b>	<b>165,947,847</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Related party advances		-	2,748
Trade and other payables	5	10,056,324	8,371,755
Borrowings	5	84,940	243,776
Billings in advance		3,409,576	2,667,500
Current lease liabilities	5	472,422	395,839
Contingent consideration	5	11,664,648	-
<b>Total current liabilities</b>		<b>25,687,910</b>	<b>11,681,618</b>
<b>Non-current liabilities</b>			
Deferred tax liability		4,003,273	3,097,027
Borrowings	5	341,519	311,383
Non-current lease liabilities	5	264,083	297,178
Long term contingent consideration	5	13,865,109	-
<b>Total non-current liabilities</b>		<b>18,473,984</b>	<b>3,705,588</b>
<b>Total liabilities</b>		<b>44,161,894</b>	<b>15,387,206</b>
<b>NET ASSETS</b>		<b>111,019,934</b>	<b>150,560,641</b>

Notes to the condensed consolidated financial statements are included on pages 12 to 28.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*As at 30 June 2021*

	Note	30 Jun 2021 \$	31 Dec 2020 \$
<b>EQUITY</b>			
Share capital	9	184,946,084	184,809,420
Reserves		(24,339,172)	7,283,066
Accumulated losses		(45,542,577)	(41,213,678)
		<u>115,064,335</u>	<u>150,878,808</u>
Non-controlling interests		(4,044,401)	(318,167)
<b>TOTAL EQUITY</b>		<b><u>111,019,934</u></b>	<b><u>150,560,641</u></b>

Notes to the condensed consolidated financial statements are included on pages 12 to 28.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
*For the half year ended 30 June 2021*

Note	←-----Attributable to owners of the Company----->							Total equity
	Share capital	Share rights plan reserves	Other equity	Foreign currency translation reserves	Accumulated losses	Total	Non-controlling interests	
	\$	\$	\$	\$	\$	\$	\$	
<b>Balance as at 1 January 2020</b>	<b>83,244,227</b>	<b>28,572</b>	<b>226,570</b>	<b>1,058,657</b>	<b>(28,018,461)</b>	<b>56,539,565</b>	<b>(1,819,128)</b>	<b>54,720,437</b>
Profit/(Loss) for the period	-	-	-	-	3,190,317	3,190,317	(1,193,323)	1,996,994
Foreign currency translation differences	-	-	-	(591,859)	-	(591,859)	645,557	53,698
Total comprehensive loss for the period	-	-	-	(591,859)	3,190,317	2,598,458	(547,766)	2,050,692
Disposal of a subsidiary	-	-	(63,332)	-	-	(63,332)	349,473	286,141
Increase in shareholding in subsidiaries	683,824	-	(1,398,610)	-	-	(714,786)	(9,596)	(724,382)
Transaction costs relating to shares issued	(60,925)	-	-	-	-	(60,925)	-	(60,925)
Share based payments	166,455	4,270	(30,000)	-	-	140,725	-	140,725
<b>Balance as at 30 June 2020</b>	<b>84,033,581</b>	<b>32,842</b>	<b>(1,265,372)</b>	<b>466,798</b>	<b>(24,828,144)</b>	<b>58,439,705</b>	<b>(2,027,017)</b>	<b>56,412,688</b>
<b>Balance as at 1 January 2021</b>	<b>184,809,420</b>	<b>51,624</b>	<b>4,179,793</b>	<b>3,051,649</b>	<b>(41,213,678)</b>	<b>150,878,808</b>	<b>(318,167)</b>	<b>150,560,641</b>
Loss for the period	-	-	-	-	(4,328,899)	(4,328,899)	(2,741,549)	(7,070,448)
Foreign currency translation differences	-	-	-	525,842	-	525,842	(189,593)	336,249
Total comprehensive loss for the period	-	-	-	525,842	(4,328,899)	(3,803,057)	(2,931,142)	(6,734,199)
Net effect of loss and subsequent gain on control of iMyanmarhouse	-	-	-	-	-	-	247,126	247,126
Acquisition of a subsidiary	-	-	332,559	-	-	332,559	223,560	556,119
Increase in shareholding in subsidiaries	-	-	(32,527,165)	-	-	(32,527,165)	(1,265,778)	(33,792,943)
Transaction costs relating to shares issued	(3,844)	-	-	-	-	(3,844)	-	(3,844)
Share based payments	140,508	76,526	(30,000)	-	-	187,034	-	187,034
<b>Balance as at 30 June 2021</b>	<b>184,946,084</b>	<b>128,150</b>	<b>(28,044,813)</b>	<b>3,577,491</b>	<b>(45,542,577)</b>	<b>115,064,335</b>	<b>(4,044,401)</b>	<b>111,019,934</b>

Notes to the condensed consolidated financial statements are included on pages 12 to 28.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the half year ended 30 June 2021**

	Note	Half year ended	
		30 Jun 2021	30 Jun 2020
		\$	\$
Cash used in operations		(4,878,523)	(963,390)
Interest paid		(47,242)	(58,373)
Interest received		5,134	79,310
<b>Net cash outflow from operating activities</b>	13	<b>(4,920,631)</b>	<b>(942,453)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(295,031)	(73,161)
Purchase of other intangible assets		(1,064,878)	(317,133)
Net investments in term deposits		-	(1,456,600)
Proceeds from disposal of property, plant and equipment		61,912	1,139
Investments in associates		(1,330,734)	-
Payment for acquisition of subsidiaries		(34,336,432)	(724,382)
Cash acquired on acquisition of subsidiaries		1,904,542	-
Net cash effect of loss and subsequent gain on control of iMyanmarhouse		(99,865)	-
Proceeds from disposal of subsidiaries		-	6,905,654
Cash flows from loans to other entities		-	(1,199,325)
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(35,160,486)</b>	<b>3,136,192</b>
<b>Cash flows from financing activities</b>			
Payment of capitalised transaction costs related to issuance of shares		(3,844)	(60,925)
Net repayments of other borrowings		(132,768)	-
Principal elements of lease payments		(271,606)	(147,934)
Transactions with other non-controlling entities		-	233,154
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(408,218)</b>	<b>24,295</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(40,489,335)</b>	<b>2,218,034</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>59,159,608</b>	<b>12,410,121</b>
Effects of exchange rate changes on cash and cash equivalents		33,948	147,861
<b>Cash and cash equivalents at end of the period</b>	4	<b>18,704,221</b>	<b>14,776,016</b>

Term Deposits of \$nil (June 2020: \$1,506,203) are excluded from the Cash and cash equivalent balance as at 30 June 2021 and disclosed separately as a current asset in the Condensed Consolidated Statement of Financial Position.

Notes to the condensed consolidated financial statements are included on pages 12 to 28.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. General information

The financial statements for the half year ended 30 June 2021 were authorised for issue in accordance with a resolution passed by the Board of Directors. These financial statements 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 2020 and considered together with any public announcements made by Frontier Digital Ventures Limited during the 6 months ended 30 June 2021, 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 2020 annual financial report for the financial year ended 31 December 2020, 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 2021:

- AASB 2020-4 *Amendments to Australian Accounting Standards - Covid-19 Related Rent Concessions*
- AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*

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.

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

### New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 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 2020-3 <i>Amendments to Australian Accounting Standards – Annual improvements 2018-2020 and Other Amendments [AASB 1, AASB 3, AASB 116, AASB 137 &amp; AASB 141]</i>	1 January 2022	31 December 2022
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current [AASB 101]</i>	1 January 2023	31 December 2023
AASB 2020-6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date [AASB 101]</i>		
AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 &amp; AASB 128]</i>	1 January 2022	31 December 2022
AASB 2015-10 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128</i>		
AASB 2017-5 <i>Amendments to Australian Accounting Standards Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>		

## 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.

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

- Autodeal.com.ph
- Avito.ma
- CarsDB.com
- Encuentra24.com
- Fincaraiz.com.co
- Hoppler.com.ph
- iMyanmarhouse.com
- Infocasas (infocasas.com.uy; infocasas.com.py; infocasas.com.bo and casaseneleste.com)
- LankaPropertyWeb.com
- Meqasa.com
- Moteur.ma
- Propertypro.ng
- Tayara.tn
- Yapo.cl
- Corporate (representing the cost of administrating the Company and the Group)

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

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 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	\$	\$	\$	\$
<b>Continuing Operations</b>				
Autodeal	799,355	841,061	(106,472)	44,253
Avito	2,985,071	-	(1,018,604)	-
CarsDB	55,841	498,998	(99,660)	(99,258)
Encuentra24	4,023,171	3,097,617	(272,537)	7,850
Fincaraiz	4,048,002	-	285,565	-
Hoppler	380,360	205,634	(80,216)	(349,448)
iMyanmarhouse	174,674	884,157	60,770	(113,450)
Infocasas	4,499,182	2,136,713	181,074	(37,331)
LankaPropertyWeb	332,210	280,370	(32,675)	(99,411)
Meqasa	144,705	113,460	23,461	(30,775)
Moteur	319,960	-	(6,510)	-
PropertyPro	219,079	247,696	(45,724)	(57,831)
Tayara	444,074	-	(324,232)	-
Yapo	3,203,812	-	(267,480)	-
Corporate (and consolidation)	-	1,837	(2,137,539)	(1,350,014)
<b>Segment Revenue and adjusted EBITDA from continuing operations</b>	<b>21,629,496</b>	<b>8,307,543</b>	<b>(3,840,779)</b>	<b>(2,085,415)</b>
Equity settled share-based payments	-	-	(157,603)	(110,725)
Unrealised currency exchange gain	-	-	1,973,082	905,953
Depreciation and amortisation	-	-	(5,586,974)	(1,683,011)
Gain on deemed disposal of an Associate (step Acquisition)	-	-	1,066,718	-
Impairment of goodwill	-	-	(459,218)	-
Net effect of loss and subsequent gain of control of iMyanmarhouse	-	-	(542,800)	-
Gain on disposal of an associate	-	-	-	6,798,910
Share of net loss of associates	-	-	233,442	(1,678,435)
Net interest	-	-	(2,664)	85,925
Income tax benefit	-	-	246,348	31,727
<b>Consolidated segment revenue and net (loss)/profit for the period from continuing operations</b>	<b>21,629,496</b>	<b>8,307,543</b>	<b>(7,070,448)</b>	<b>2,264,929</b>
Gains on disposal after income tax	-	-	-	(267,935)
<b>Consolidated segment revenue and net (loss)/profit for the period</b>	<b>21,629,496</b>	<b>8,307,543</b>	<b>(7,070,448)</b>	<b>1,996,994</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 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 2020 or 2021.

#### Segment assets and liabilities

	Segment assets	
	30 Jun 2021	31 Dec 2020
	\$	\$
Autodeal	4,674,610	4,789,401
Avito	22,857,854	24,546,940
CarsDB	2,938,413	3,512,908
Encuentra24	11,641,595	14,260,647
Fincaraiz	33,744,163	33,430,749
Hoppler	2,175,052	1,777,273
iMyanmarhouse	2,676,503	2,943,420
Infocasas	14,222,992	14,264,954
LankaPropertyWeb	878,677	925,492
Meqasa	1,865,172	1,792,557
Moteur	3,882,121	-
PropertyPro	1,231,584	1,266,907
Tayara	5,857,364	4,143,551
Yapo	28,041,602	-
Corporate (and consolidation)	18,494,126	58,293,048
<b>Total segment assets</b>	<b>155,181,828</b>	<b>165,947,847</b>
<b>Consolidated total assets</b>	<b>155,181,828</b>	<b>165,947,847</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 6 and 7.

	Segment liabilities	
	30 Jun 2021	31 Dec 2020
	\$	\$
Autodeal	774,586	737,280
Avito	5,008,299	5,022,562
CarsDB	218,298	224,685
Encuentra24	1,502,756	1,460,410
Fincaraiz	3,232,974	2,775,281
Hoppler	1,025,549	504,867
iMyanmarhouse	141,539	158,669
Infocasas	1,591,088	1,464,730
LankaPropertyWeb	100,925	97,625
Meqasa	143,257	116,574
Moteur	299,417	-
PropertyPro	250,244	230,667
Tayara	488,968	236,550
Yapo	3,138,379	-
Corporate (and consolidation)	26,245,615	2,357,305
<b>Total segment liabilities</b>	<b>44,161,894</b>	<b>15,387,206</b>
<b>Consolidated total liabilities</b>	<b>44,161,894</b>	<b>15,387,206</b>

**4. Cash and cash equivalents**

	30 Jun 2021	31 Dec 2020
	\$	\$
Cash at bank and in hand	18,704,221	59,159,608

**5. Significant balances**

	30 Jun 2021	31 Dec 2020
	\$	\$
Trade receivables	8,622,325	8,113,260
Other receivables	1,369,445	801,788
Prepayments	1,012,658	729,404
Deposits	182,959	169,398
<b>Trade and other receivables</b>	<b>11,187,387</b>	<b>9,813,850</b>
<b>Other financial assets</b>	<b>1,021,224</b>	<b>981,401</b>
<b>Right-of-use assets</b>	<b>717,049</b>	<b>691,169</b>
Trade payables	2,957,977	3,092,911
Other payables	3,490,395	2,504,961
Accruals	3,607,952	2,773,883
<b>Trade and other payables (current liabilities)</b>	<b>10,056,324</b>	<b>8,371,755</b>
Short-term contingent consideration	11,664,648	-
Long-term contingent consideration	13,865,109	-
<b>Total contingent consideration at fair value</b>	<b>25,529,757</b>	<b>-</b>
Current lease liabilities	472,422	395,839
Non-current lease liabilities	264,083	297,178
<b>Total lease liabilities</b>	<b>736,505</b>	<b>693,017</b>
Current borrowings	84,940	243,776
Non-current borrowings	341,519	311,383
<b>Borrowings</b>	<b>426,459</b>	<b>555,159</b>

5.1 Included in Other financial assets is US\$775,123 (AUD equivalent \$1,021,224) (2020: US\$745,123 (AUD equivalent \$981,401)) 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 2022.

5.2 Contingent consideration consists of:

- US\$19,277,425 (AUD equivalent 25,332,132) 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 (Note 10.3(b)); and
- US\$150,000 (AUD equivalent 197,625) payable to the founder of Moteur if he remains employed and achieving the operational targets at the completion of financial year ending 31 December 2021 (Note 10.2).

5.3 Non-current borrowings of \$341,519 (2020: \$311,383) consist of:

- a loan of USD128,285 (2020: USD128,285) and a CHF denominated loan of CHF62,025 (2020: CHF62,025) which are non-interest bearing and is contingent upon the sale of Encuentra24; and
- a loan of USD127,821 (2020: USD158,178) awarded by the ANII (National Research and Innovation Agency), a federal agency in Uruguay, to Infocasas in 2015. Interest on the loan is charged by LIBOR +4% compounding at daily rest basis. Payments are due on a six monthly basis and the loan will mature in April 2023.

## 6. Intangible assets

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

	30 Jun 2021	31 Dec 2020
	\$	\$
Autodeal	1,203,286	1,129,446
Avito	5,733,550	6,378,812
CarsDB	5,000	15,594
Encuentra24	4,584,597	6,799,850
Fincaraiz	4,127,331	4,396,281
Hoppler	985,375	165,646
iMyanmarhouse	245,543	46,753
Infocasas	1,827,975	2,003,506
LankaPropertyWeb	156,901	168,496
Moteur	285,763	-
PropertyPro	35,627	47,773
Tayara	1,306,348	1,367,668
Yapo	3,993,752	-
<b>Total Intangible Assets</b>	<b>24,491,048</b>	<b>22,519,825</b>

## 7. Goodwill

	Half year ended 30 Jun 2021	Year ended 31 Dec 2020
	\$	\$
Opening balance	64,779,025	29,042,950
Additions from business combinations acquired during the year	23,657,584	41,121,121
Impairment	(459,218)	-
Net effect of loss and subsequent gain on control of iMyanmarhouse	(328,225)	-
Exchange difference	1,973,556	(5,385,046)
Balance at period end	<b>89,622,722</b>	<b>64,779,025</b>

Goodwill relates to cash generating units as follows:

	30 Jun 2021	31 Dec 2020
	\$	\$
Autodeal	2,256,016	2,221,427
Avito	11,061,660	10,892,062
CarsDB	2,742,367	3,156,619
Encuentra24	5,239,874	5,159,536
Fincaraiz	26,383,370	25,978,858
Hoppler	811,584	731,943
iMyanmarhouse	1,663,116	1,968,212
Infocasas	10,534,700	10,373,181
LankaPropertyWeb	357,157	351,681
Meqasa	1,451,352	1,429,100
Moteur	3,130,770	-
PropertyPro	868,516	855,199
Tayara	1,687,072	1,661,207
Yapo	21,435,168	-
<b>Total Goodwill</b>	<b>89,622,722</b>	<b>64,779,025</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 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)

The overall global impact of COVID-19 pandemic has slowed down activities around the world as well as introducing ongoing economic uncertainty.

Since the low of the pandemic in March 2020, traffic and revenues have returned for most CGUs, many now to pre-COVID-19 levels.

Despite the positive signs of FDV's investments recovery from the initial COVID19 impact, should restrictions be reimposed in individual countries in future periods, those relevant investments will be exposed to a potential decline in revenue which will impact the recoverable amount as calculated by management's impairment models.

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

The calculations of the carrying amounts for CarsDB, Meqasa and PropertyPro were most sensitive to the following assumptions:

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

*Growth rate estimates* – Revenue growth rates beyond FY21 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**

The recoverable amount of CarsDB CGU of US\$3.2 as at 30 June 2021 has been determined based on a fair value less cost to sell cash flow model using cash flow projections from HY21 financial projections, approved by the Directors covering a five-year period. The projected cash flows have been updated to reflect the effects of military coup currently affecting Myanmar.

The recoverable amount of the CGU fell short of the carrying amount of the entity non-current assets by AUD\$0.5m. As a result of this analysis, management has recognised an impairment charge in the current year of this amount.

The pre-tax discount rate applied to cash flow projections is 34% (2020: 27%). Revenue in FY2022 is expected to increase by 220% over the forecast FY2021 result, as the impact of the current military coup lessens. Cash flows beyond 2022 for the four-year period are then extrapolated using an average 60% (2020: 33%) growth rate with revenue forecast to return to pre-Covid and military coup levels by 2024. Any reduction in this annual growth rate for CarsDB would result in additional impairment.

#### **iMyanmarhouse CGU**

As disclosed in note 11, the iMyanmarhouse CGU was acquired in May 2021 when FDV regained control of the entity. The fair value of the CGU at May 2021 had been determined based on a fair value less cost to sell cash flow model using cash flow projections from HY21 financial projections, approved by the Directors covering a five-year period. The projected cash flows have been updated to reflect the effects of military coup currently affecting Myanmar.

The pre-tax discount rate applied to cash flow projections is 42% (2020: 27%). Revenue in FY2022 is expected to increase by 160% over the forecast FY2021 result, as the impact of the current military coup lessens. Cash flows beyond 2022 for the four-year period are then extrapolated using an average 33% (2020: 28%) growth rate with revenue forecast to return to pre-Covid and military coup levels by 2024. Any reduction in this annual growth rate for iMyanmarhouse would result in an impairment.

## 8. Investments in associates

	Half year ended 30 Jun 2021	Year ended 31 Dec 2020
	\$	\$
Opening balance	5,714,314	6,400,406
Additions	1,330,734	2,298,201
Disposals	-	(40,458)
Step acquisition	(950,709)	-
Share of total comprehensive loss	530,215	(2,528,294)
Exchange differences	24,875	(415,541)
Balance at period end	6,649,429	5,714,314

On 20 January 2021, the Group acquired remaining 43.69% equity interest in Moteur with cash consideration of US\$1,200,000 (AUD equivalent 1,551,840), increasing the Group's holding from 56.31% to 100.00%. As a result, the Group acquired control of Moteur and the results of Moteur were consolidated from date of acquisition at 20 January 2021 (see Note 10.2).

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 2021
			As at 30 Jun 2021	As at 31 Dec 2020	
Kupatana Holding AB (PUBL) ("Kupatana")	Online classified advertising, event management, and investment holding	Sweden	26.67%	26.67%	Equity Accounted
Kupatana Ltd	Online classified advertising and event management	Tanzania	26.67%	26.67%	
Kupatana Ltd	Online classified advertising and event management	Uganda	26.67%	26.67%	
Buyandsell Tanzania AB	Online classified advertising and event management	Sweden	26.67%	26.67%	
Moteur.MA ("Moteur")	Online classified advertising and event management (Moteur.ma)	Morocco	-	56.31%	Consolidated
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 2021											
Operating company	Cost of investment					Share of total comprehensive income					Carrying amount 30-Jun-21
	1-Jan-21	Addition	Step Acquisition	Exchange difference	30-Jun-21	1-Jan-21	Addition	Step Acquisition	Exchange difference	30-Jun-21	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Zameen	12,091,696	1,330,734	-	15,803	13,438,233	(8,930,003)	545,851	-	9,066	(8,375,086)	5,063,147
Pakwheels	4,609,850	-	-	1,400	4,611,250	(3,007,938)	(15,634)	-	(1,396)	(3,024,968)	1,586,282
Kupatana	1,153,009	-	-	-	1,153,009	(1,153,009)	-	-	-	(1,153,009)	-
Moteur	1,356,613	-	(1,356,613)	-	-	(405,904)	-	405,904	-	-	-
	19,211,168	1,330,734	(1,356,613)	17,203	19,202,492	(13,496,854)	530,217	405,904	7,670	(12,553,063)	6,649,429

Year ended 31 December 2020											
Operating company	Cost of investment					Share of total comprehensive income					Carrying amount 31-Dec-20
	1-Jan-20	Addition	Disposal	Exchange difference	31-Dec-20	1-Jan-20	Addition	Disposal	Exchange difference	31-Dec-20	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Zameen	10,766,065	2,298,201	-	(972,570)	12,091,696	(7,642,252)	(2,123,357)	-	835,606	(8,930,003)	3,161,693
Propzy	2,050,715	-	(2,050,715)	-	-	(1,947,313)	-	2,010,257	(62,944)	-	-
Pakwheels	5,024,250	-	-	(414,400)	4,609,850	(2,954,503)	(331,759)	-	278,324	(3,007,938)	1,601,912
Kupatana	1,153,009	-	-	-	1,153,009	(1,153,009)	-	-	-	(1,153,009)	-
Moteur	1,478,565	-	-	(121,952)	1,356,613	(375,121)	(73,178)	-	42,395	(405,904)	950,709
	20,472,604	2,298,201	(2,050,715)	(1,508,922)	19,211,168	(14,072,198)	(2,528,294)	2,010,257	1,093,381	(13,496,854)	5,714,314

**8. Investments in associates (cont'd)**

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

Half Year ended 30 June 2021											
Operating Company	Share of associates profit or loss					Share of other comprehensive income					Share of total comprehensive income
	1-Jan-21	Addition	Unrealised foreign exchange (loss)/gain	Step Acquisition	30-Jun-21	1-Jan-21	Addition	Step Acquisition	Exchange difference	30-Jun-21	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	(11,436,665)	447,725	(244,482)	-	(11,233,422)	2,506,662	342,608	-	9,066	2,858,336	(8,375,086)
Propzy	89,671	-	-	-	89,671	(89,671)	-	-	-	(89,671)	-
Pakwheels	(4,038,255)	(13,320)	43,519	-	(4,008,056)	1,030,317	(45,833)	-	(1,396)	983,088	(3,024,968)
Kupatana	(1,173,106)	-	-	-	(1,173,106)	20,097	-	-	-	20,097	(1,153,009)
Moteur	(448,665)	-	-	448,665	-	42,761	-	(42,761)	-	-	-
	<u>(17,007,020)</u>	<u>434,405</u>	<u>(200,963)</u>	<u>448,665</u>	<u>(16,324,913)</u>	<u>3,510,166</u>	<u>296,775</u>	<u>(42,761)</u>	<u>7,670</u>	<u>3,771,850</u>	<u>(12,553,063)</u>

  

Half Year ended 30 June 2020											
Operating Company	Share of associates profit or loss					Share of other comprehensive income					Share of total comprehensive income
	1-Jan-20	Addition	Unrealised foreign exchange loss	Disposal	30-Jun-20	1-Jan-20	Addition	Disposal	Exchange difference	30-Jun-20	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	(8,756,891)	(734,525)	(379,306)	-	(9,870,722)	1,114,639	(103,413)	-	(48,953)	962,273	(8,908,449)
Propzy	(1,924,458)	-	-	2,014,129	89,671	(22,855)	-	(3,872)	(62,944)	(89,671)	-
Pakwheels	(3,592,664)	(265,155)	(200,663)	-	(4,058,482)	638,161	241,836	-	(35,252)	844,745	(3,213,737)
Kupatana	(1,173,106)	-	-	-	(1,173,106)	20,097	-	-	-	20,097	(1,153,009)
Moteur	(366,004)	(98,786)	-	-	(464,790)	(9,117)	(3,276)	-	(1,824)	(14,217)	(479,007)
	<u>(15,813,123)</u>	<u>(1,098,466)</u>	<u>(579,969)</u>	<u>2,014,129</u>	<u>(15,477,429)</u>	<u>1,740,925</u>	<u>135,147</u>	<u>(3,872)</u>	<u>(148,973)</u>	<u>1,723,227</u>	<u>(13,754,202)</u>

## 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 21												
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	10,240,986	16,311,350	26,552,336	7,537,453	-	8,757,663	4,270,140	13,027,803	2,138,091	-	2,138,091	18,923,895
Pakwheels	76,661	514,943	591,604	90,938	-	3,664,821	318,004	3,982,825	-	-	-	(3,300,283)
	<u>10,317,647</u>	<u>16,826,293</u>	<u>27,143,940</u>	<u>7,628,391</u>	<u>-</u>	<u>12,422,484</u>	<u>4,588,144</u>	<u>17,010,628</u>	<u>2,138,091</u>	<u>-</u>	<u>2,138,091</u>	<u>15,623,612</u>

  

31 Dec 20												
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	7,786,885	15,399,768	23,186,653	4,712,125	26,164	12,936,463	2,765,990	15,702,453	-	-	-	12,222,489
Pakwheels	49,258	522,583	571,841	96,812	1,975	3,588,622	337,556	3,926,178	-	-	-	(3,255,550)
Moteur	38,608	409,223	447,831	80,445	2,087	214,180	14,991	229,171	-	-	-	301,192
	<u>7,874,751</u>	<u>16,331,574</u>	<u>24,206,325</u>	<u>4,889,382</u>	<u>30,226</u>	<u>16,739,265</u>	<u>3,118,537</u>	<u>19,857,802</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,268,131</u>



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

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

Operating Company	Half Year ended 30 June 2021					Half Year ended 30 June 2020				
	Net profit/ (loss) before unrealised foreign exchange (loss)/gain	Unrealised foreign exchange (loss)/gain	Other comprehensive income	Amortisation of intangible assets	Total comprehensive income	Net loss before unrealised foreign exchange (loss)/gain	Unrealised foreign exchange (loss)/gain	Other comprehensive income	Amortisation of intangible assets	Total comprehensive income
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	1,524,429	(821,573)	1,151,321	(19,866)	1,834,311	(2,105,220)	(1,264,354)	(344,710)	(343,197)	(4,057,481)
Pakwheels	(37,653)	118,123	(124,404)	1,500	(42,434)	(683,216)	(544,688)	656,450	(36,531)	(607,985)
Moteur	-	-	-	-	-	(169,585)	-	(5,818)	(5,848)	(181,251)
	<u>1,486,776</u>	<u>(703,450)</u>	<u>1,026,917</u>	<u>(18,366)</u>	<u>1,791,877</u>	<u>(2,958,021)</u>	<u>(1,809,042)</u>	<u>305,922</u>	<u>(385,576)</u>	<u>(4,846,717)</u>

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 \$28,661,165 (2020: \$18,783,861) as follows:

Operating Company	Half Year 30 June 2021 \$	Half Year 30 June 2020 \$
Zameen	27,442,056	18,053,610
Pakwheels	1,219,109	589,716
Moteur	-	140,535
	<u>28,661,165</u>	<u>18,783,861</u>

## 9. Share capital

	2021 Shares	2020 Shares	2021 \$	2020 \$
<b>Fully paid ordinary shares</b>				
At 1 January	342,868,343	256,072,265	184,809,420	83,244,227
Issued for business combination	-	618,286	-	683,824
Issued to employees and directors	109,129	230,266	140,508	166,455
	<u>342,977,472</u>	<u>256,920,817</u>	<u>184,949,928</u>	<u>84,094,506</u>
Less: Transaction costs	-	-	(3,844)	(60,925)
At 30 June	<u>342,977,472</u>	<u>256,920,817</u>	<u>184,946,084</u>	<u>84,033,581</u>

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

During the half year ended 30 June 2021, 56,696 ordinary shares were issued to employee as share based payments with value of \$80,508.

A further 52,433 (2020:88,326) ordinary shares were issued to Directors as share based payments with a value of \$60,000 (2020: \$60,000).

## 10. Business Combinations

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

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

### 10.1 New acquisition of company

The following summarises the effect of the acquisition of subsidiaries as at the date of acquisitions during the period ended 30 June 2021:

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

## 10. Business Combinations (cont'd)

### 10.1 New acquisition of company (cont'd)

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

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

#### (a) Acquisition of Yapó

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

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

#### (b) Acquisition of Zipmatch

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

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

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

### 10.2 Change of accounting control and step acquisitions

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

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

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

## 10. Business Combinations (cont'd)

### 10.2 Change of accounting control and step acquisitions (cont'd)

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

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

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

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

### 10.3 Increase in Equity Interest and other transactions with Controlled Entities

#### (a) Hoppler

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

#### (b) Infocasas

On 8 June 2021, the Group entered into a share sale agreement to acquire 60,479 ordinary shares from the other shareholders of Infocasas with upfront cash consideration of US\$6,176,982 (AUD equivalent 8,263,185) and the balance of performance-based earn-out consideration in two tranches which are contingent upon achieving the operational targets at the completion of financial year ending 31 December 2021 and the financial year ending 31 December 2022 respectively. The estimated contingent consideration is amounting to US\$19,277,425 (AUD equivalent 25,332,132).

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

## 11. Myanmar Political Situation

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

#### iMyanmarhouse

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

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

## 11. Myanmar Political Situation (cont'd)

The net impact on the profit or loss for the period as a result of the loss and subsequent gain of control is as follows:

	2021 \$
Loss due to loss of control of controlled entity	(2,648,848)
Gain on revaluation of financial instrument	2,106,048
	(542,800)

The following summarises the effect of FDV regaining control of iMyanmarhouse in May 2021:

	2021 \$
<b>Fair value of consideration transferred</b>	
Fair value of previously held financial instrument	2,106,048
<b>Total consideration</b>	<b>2,106,048</b>
<b>Provisional allocation of purchase consideration</b>	
Cash and bank balances	469,624
Intangible assets acquired	
- Brands	222,315
Plant and equipment	44,956
Trade and other receivables	338,400
Trade and other payables	(162,943)
Less: Non-controlling interest's share of net assets	(432,181)
Goodwill	1,625,877
<b>Total identifiable net assets acquired</b>	<b>2,106,048</b>

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

	2021 \$
Fair value of consideration transferred	-
Less: Cash and cash equivalents acquired	471,993
	471,993

Had the Group maintained control of iMyanmarHouse for the 6 month period, the Group's loss for the period would have increased by AUD\$395,244.

CarsDB

Operations are outside the coup affected area and there continues to be no impact on the Group's ability to control this entity.

## 12. Convertible loan notes

As at 30 June 2021, 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 2022	600,000	10%	775,123	36.84%	Variable*

\*Note 5.1 – Other financial assets

**13. Notes to the condensed consolidated statement of cash flows**

	Half year ended	
	30 Jun 2021	30 Jun 2020
	\$	\$
<b>Cash flows from operating activities</b>		
Net (loss)/profit before tax	(7,316,796)	1,965,267
Adjustments for:		
Amortisation of intangible assets	5,216,370	1,514,919
Depreciation	370,604	168,092
Gain on disposal of property, plant and equipment	(26,310)	1,899
Disposal of Right-of-use assets	10,931	(409)
Net loss allowance on doubtful debts	-	534
Net foreign exchange difference	(1,973,083)	(905,953)
Share of net loss of associates	(233,441)	1,678,435
Interest income	(44,578)	(144,298)
Interest expense	47,242	58,373
Non-cash employee benefits expense – share based payments	187,034	140,725
Impairment of goodwill	459,218	-
Net effect of loss and subsequent gain on control of iMyanmarhouse	542,800	-
Loss on disposal of a subsidiary	-	267,935
Gains on disposal of an associate	(1,066,718)	(6,798,910)
	<u>(3,826,727)</u>	<u>(2,053,391)</u>
Change in operating assets and liabilities:		
Trade and other receivables	2,685,122	1,138,600
Trade and other payables	(3,736,918)	(48,599)
	<u>(4,878,523)</u>	<u>(963,390)</u>
Cash used in operations	(4,878,523)	(963,390)
Interest paid	(47,242)	(58,373)
Interest received	5,134	79,310
<b>Net cash used in operating activities</b>	<b>(4,920,631)</b>	<b>(942,453)</b>

**14. 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 2021 cannot be ascertained and the Directors believe that any resulting liability would not materially affect the financial position of the Group.

**15. Subsequent events**

**COVID-19**

The Group will continue to assess and monitor the COVID-19 situation closely as well as the measures imposed by the Governments of the respective countries where the Group operates. Although the duration and ultimate impact COVID-19 will have on world economies remains unknown, the Group and its operating businesses are well capitalised and are in a strong position to navigate the uncertainty COVID-19 has presented to businesses worldwide.

**Other subsequent events**

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

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

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

### *Conclusion*

We have reviewed the half-year financial report of Frontier Digital Ventures Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 30 June 2021, and the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 5 to 28.

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 the Group is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2021 and of 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*.

### *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 Half-year Financial Report* section of our report. We are independent of the Group in accordance with 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Directors' Responsibilities for the Half-year Financial Report*

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

## *Auditor's Responsibilities for the Review of the Half-year 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 Group's financial position as at 30 June 2021 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.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Anneke du Toit  
Partner  
Chartered Accountants  
Melbourne, 24 August 2021



**Corporate Directory**

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<p><b>The Board</b> Anthony Klok Shaun Antony Di Gregorio</p> <p>Mark Licciardo</p>	<p>Independent Director, non-executive Chairman Non-independent executive Director and Chief Executive Officer Independent, non-executive Director and Company Secretary</p>
<p><b>Chief Executive Officer</b> Shaun Antony Di Gregorio Email: <a href="mailto:shaundig@frontierdv.com">shaundig@frontierdv.com</a></p>	<p><b>Chief Financial Officer</b> Jason Lau Chee Keong Email: <a href="mailto:jasonlau@frontierdv.com">jasonlau@frontierdv.com</a></p>
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