8COMMON LIMITED & CONTROLLED ENTITIES

ABN 168 232 577

ASX APPENDIX 4D FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

The following information should be read in conjunction with both the Financial Report for the year ended 30 June 2018 and the Interim Report for the half year ended 31 December 2018 and the attached auditors' review report.

This Appendix 4D is prepared in accordance with ASX Listing Rule 4.2A.3.

Reporting period: Half-year from 1 July 2018 to 31 December 2018.

Previous corresponding period: Half-year from 1 July 2017 to 31 December 2017.

Results for announcement to the market

8common limited (8CO) and its controlled entities' (the 8common Group or Group) Results for Announcement to the Market are detailed below:

Financial Results

	Dec 2018	Dec 2017	Change
Revenue and other income	1,712,943	1,973,505	(13%)
EBITDA	(480,253)	153,697	(412%)
Loss before tax	(789,045)	(234,367)	(241%)
Loss after tax	(789,045)	(234,367)	(241%)

NTA backing	Dec 2018	Dec 2017
Net tangible asset backing per ordinary share	0.03 cents	0.03 cents

Dividends

No interim dividend will be paid in relation to the half-year ended 31 December 2018.

Explanation of results

Please refer to the 'Directors Report' for an explanation of the results.

This information should be read in conjunction with the Consolidated Annual Financial Report of the 8common Group for the year ended 30 June 2018.

This report should also be read in conjunction with any public announcements made by 8common in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The information provided in the report contains all the information required by ASX Listing Rule 4.2A.

Details of individual and total dividends and payment dates

No dividends have been declared by the Company.

Dated: 28 February 2019

8COMMON LIMITED AND ITS CONTROLLED ENTITIES

ACN 168 232 577

INTERIM HALF YEARLY FINANCIAL REPORT

FOR THE PERIOD ENDED

31 DECEMBER 2018

Contents

Directors' Report

Your directors present their report on the Company 8common Limited and its controlled entities for the half-year ended 31 December 2018.

Directors

The following persons were directors of 8common Limited during or since the end of the financial half year;

Kah Wui "Nic" Lim	Executive Chairman
Adrian Bunter	Non Executive Director
Grant McCarthy	Non Executive Director (Resigned 18 July 2018)
Zoran Grujic	Non Executive Director (Resigned 18 July 2018)
John Du Bois	Non Executive Director (appointed 11 October 2018)
Nyap Liou "Larry" Gan	Non Executive Director

Principal activities

8common is a Financial Technology (Fintech) group with 3 products:

Expense8

An industry leading Travel and Expense management platform used by employees to initiate travel requirements process for employee related spending and apply for and maintain credit cards. Expense8 has a growing blue chip client base of Australian government agencies, large corporates and multi-nationals. Notable clients include the Federal Department of the Prime Minister and Cabinet, Woolworths, NSW Department of Education. More than 66,000 employees within NSW Government and over 10,000 employees within the Australian Federal Government use Expense8.

Perform8

Employee performance management tools. Perform8 delivers its methodology of gathering employee responses and producing action points to ensure effective performance tracking. Notable clients include Help Enterprises Limited and Peregrine Corporation.

PayHero

The PayHero solution brings together merchant facilities, payment gateway and selling online into an easy to operate package that helps businesses get paid faster. Payhero's platform lets businesses accept card payments online via their own secure mobile payments page. Development efforts with Expense8 are underway to deliver an integrated procurement approval, payments and reconciliation platform to be marketed to Expense8 clients.

Key Highlights

Review of Operations

1. Group Performance

For the half year ended 31 December 2018, total revenue[1] for the Group was $1,712,943 which included $225,438 from the R&D Development rebate. Revenue grew 25% from continuing operations on a like for like comparison basis, which excludes the R&D rebate and revenue from Realtors8 operations, which has been divested. As at 31 December 2018, the Company held cash and equivalents of $329,032. The Company reported an operating loss after tax of ($798,045) which included a one-off $267,352 impairment of assets which were attributed to the closure of Singapore based subsidiary entities (Perform8 Pte Ltd and Expense8 Pte Ltd) and other one-off expenses amounting to $83,250. Normalised operating EBITDA (excluding significant items) was ($129,651) which takes into account the one-off impairment of assets of $267,352 and other one-off expenses. The operating cashflow for the period was ($583,390).

	31 DECEMBER 2018			
SUMMARY FINANCIAL RESULTS	**2018**	**2017**	**CHANGE**	
	$	$	$	%
Revenue from continuing operations (Expense8)	1,487,505	1,194,036	293,469	25%
Revenue from Realtors8	-	656,952	(656,952)	(100%)
R&D income	225,438	-	225,438	NA
Profit from sale of asset	-	122,517	(122,517)	(100%)
Total Revenue	**1,712,943**	**1,973,505**	**(260,562)**	**(13%)**
Continuing operating revenue[2]	1,487,505	1,194,036	293,469	25%
EBITDA (excl significant items)[3]	(129,651)	153,697	(283,348)	(184%)
EBITDA	(480,253)	153,697	(633,950)	(412%)
Loss for the period	(798,045)	(234,367)	(563,678)	(241%)
Operating cashflow	(583,390)	(290,186)	(293,204)	(101%)
Cash and cash equivalents	329,032	255,639	73,393	29%

- Expense8 revenue has grown 25% on a pcp (prior corresponding period) basis. It has further cemented its position as a product of choice especially within government organisations. More than 66,000 NSW Government employees in 69 agencies use Expense8. 20 new agencies were added during the 1H FY2019. The strongest growth has been seen in Federal Government as approximately 4000 users were added thanks to new clients onboarding which include Department of the Senate, Torres Strait Regional Authority, Department of the House of Representatives and NDIS Quality and Safeguards commission.

Notes
[1] The statutory results for half year ended 31 December 2018 reflect the adoption of two new accounting standards; AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers*. These standards have been applied in preparation of the statement of profit or loss and other comprehensive income (profit and loss statement) and the consolidated statement of financial position (balance sheet).
[2] Excludes the $225,438 R&D rebate in 2018 which is classified as other income.
[3] Excludes the $267,352 impairment of assets which is a non-recurring expense which is attributed to the closure of Singapore subsidiary entities and $83,250 in other costs related to the sale of Realtors8 in 2018.

- Perform8 revenues grew with new client wins and the business is currently under review; and

- Payhero continues to operate its existing client base and is being developed into an integrated offering together with Expense8. This will enable it to deliver a secure and tokenised integrated procurement approval, payment and reconciliation platform to the core Expense8 client base.

2. Segment Performance

Expense8

During the half year, the Expense8 division delivered strong results with large new customer wins, successful product implementation to key new customers, and completion of the migration of existing customers to Expense8. The business continues to see momentum with the travel module and the expense module becoming deeply embedded into the government sector, with our first travel module implementation in NSW Government now completed, and strong expectations of more agencies in NSW to take up the module.

The Expense8 product continues to see strong traction and further penetration in the Government sector with some notable customer wins being NDIS Quality and Safeguards Commission and The Department of the House of Representatives. These wins leveraged 8common's deep relationship with the Federal Government agencies and highlights the increasing demand travel & expense management solutions in the public sector, and our unique ability to provide government SaaS solutions. NSW Government continued to grow with 18 new agencies going live including Sydney Metro, RevenueNSW and Safework NSW. Expense8 is now used by approximately 66,000 NSW government staff. Another significant customer win was the delivery of the travel management solution to NSW Department of Industry.

Key KPI highlights for 31 December 20118

KPI	2018	2017	Change
Revenue	1,487,505	1,194,036	25%
SaaS Revenue[4]	942,865	794,924	19%
Users	111,873	102,518	9%
Cards	81,736	56,356	45%
Card Transactions	1,701,330	994,183	71%
Cards Managed[5]	9,312	7,036	32%
Trips	7,283	3,545	105%

Key Company highlights for the half up until the date of this release include:

- 18 additional NSW Government agencies went live on Expense8;
- 1st NSW Government Agency (Department of Industry) goes live on the Travel platform, more agencies expected to follow suit;
- NSW Department of Education extends Expense8 contract for 1 year;
- 4 more Federal Government Agencies go live on the Travel platform. This doubles the total of agencies using the travel platform to 8;
- New Federal Government Agency contracts signed including NDIS Quality and Safeguards Commission and The Department of the House of Representatives.
- Federal Government agency (not named due to the sensitivity of the agency) for the provision of Expense8 services. The contract implementation period of 3 months with up to a cumulative 6 month extension is valued at $505,384 including GST.

[4] Combination of monthly recurring and transaction based fees
[5] Card application and management platform whereby clients can request for change in limits, requests new PIN's, block a card etc

- An existing contract extended by $137,060 including GST from the Federal Department of Finance.

PayHero

PayHero continues to service its existing clients which contribute an insignificant revenue stream. Development efforts with Expense8 are underway to deliver an integrated procurement approval, payments and reconciliation platform to be marketed to Expense8 clients.

Perform8

Perform8 operations continue to be under review. New clients continue to be on-boarded. Notable clients include Help Enterprises Limited and Peregrine Corporation.

3. Expenses and EBITDA

The Group's EBITDA (excl significant items) was ($129,651) in the half year ended 31 December 2018. This compares to $31,752 in the pcp. The key drivers to the 31 December 2018 result were:

- $267,352 impairment of assets which is a non-recurring expense which is attributed to the closure of Singapore subsidiary entities. The closure of these entities will also lower future operating costs;
- $83,250 in one-off expenses related to strategic advisory and the sale of the Realtors8 business.

4. Funding and Cash-flow

The Group continues to be well supported by significant shareholders and directors. The strong performance of Expense8 as evidenced by its significant and consistent customer wins together with its robust revenue and cost model is expected to drive the Group to becoming operationally cash positive and more.

Key highlights relating to funding:

- Executive Chairman converted $333,066 worth of options in November 2018;
- As at 27 February 2019, there are 38,262,763 options with a 8 February 2020 expiry with an estimated exercise value of $1,339,197 (exercise price of $0.035);
- We have approximately $3,082,529 worth of Cloudaron Berhad (listed on Bursa Malaysia) of which approximately $1.54m worth are available for sale (not escrowed). The remainder, are held in voluntary escrow till 30 June 2020. The figures above are based on the Cloudaron share price at time of receipt MYR0.24 and use the AUD/MYR foreign exchange rate of 2.913.

Key highlights relating to cash-flow and on a moving forward basis are as follows:

- Recently announced material contracts which should see most of the revenue realised within the current financial year will boost cash receipts;
- With the strong growth of Cards (+45% versus pcp) and Card Transactions (+71%), billings are growing healthily as transaction based revenue continues to lift;
- Corporate overhead costs have reduced significantly with the divestment of Realtors8 and closure of Singapore subsidiary entities;
- Finance and administrative functions have been streamlined over the past 3 months to reflect the changes to only having Australian operating entities;

5. Outlook

We are clearly on track towards positive operating cash flow. From a positioning standpoint, our shift to become a Financial technology (Fintech) company has been completed and the ability to focus on a core sector and platform has yielded significant benefits.

Performance in the December 2018 half year demonstrates the opportunity that lies ahead for Expense8 and the attractiveness of its business model with strong monthly recurring and usage based income. Highly valuable and long-term contracts across State and Federal Government agencies combined with blue chip corporate clients provide a strong base to grow ARPU (Average Revenue Per User) and add more modules.

The anticipated growth in clients and users through the rest of FY2019 will deliver opportunities to 8common as a Fintech company with an ability to deliver to and scale offerings to large government and corporate enterprises. Such organisations have a growing need to deliver work flow efficiency, governance and business targets.

Significant Events since Balance Sheet Date

There are no other matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Economic Entity, the results of those operations or the state of affairs of the Economic Entity in future financial years.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

This report is made in accordance with a resolution of directors.

Kah Wui Lim

Managing Director
Dated this 28th of February 2019, Singapore

walker wayland

Walker Wayland NSW
Chartered Accountants

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Auditors' Independence Declaration

AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF 8COMMON LIMITED

We declare that, to the best of our knowledge and belief, during the half year period ended 31 December 2018 there have been:

(i) no contraventions of the auditors' independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

Walker Wayland NSW

Walker Wayland NSW | **Wali Aziz**
Chartered Accountants | **Partner**

Dated this 28th day of February 2019, Sydney

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2018

	Note	31 December 2018 $	31 December 2017 $
Revenue from continuing operations (Expense8)		1,487,505	1,194,036
Revenue from Realtors8		-	656,952
R&D income		225,438	-
Profit from sale of asset		-	122,517
Total Revenue		**1,712,943**	**1,973,505**
EXPENSES FROM CONTINUING OPERATIONS			
Cost of services		(283,780)	(431,332)
Accounting and legal costs		(23,889)	(71,033)
Borrowing costs		(6,492)	(83,232)
Computer software and maintenance		(105,999)	(44,646)
Depreciation and amortisation		(311,300)	(312,761)
Employee and contractor costs		(1,279,013)	(1,108,673)
Marketing		(2,700)	(1,847)
Occupancy expenses		(45,347)	(51,200)
Impairment of assets	2	(267,352)	-
Other expenses from ordinary activities		(185,116)	(111,077)
Total Expenses		**(2,510,988)**	**(2,215,801)**
NET LOSS BEFORE INCOME TAX		**(798,045)**	**(242,296)**
Income tax benefit		-	8,390
NET LOSS FOR THE PERIOD		**(798,045)**	**(233,906)**
Other comprehensive income that may be reclassified to profit or loss			
– Exchange differences on translation of foreign subsidiaries		-	2,274
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**(798,045)**	**(231,632)**
Profit / (loss) for the half-year is attributable to:			
Non-controlling interest		-	461
Owners of 8common Limited		(798,045)	(234,367)
		(798,045)	(233,906)
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		-	461
Owners of 8common Limited		(798,045)	(232,093)
		(798,045)	**(231,632)**
Earnings per share			
Basic earnings per share – cents per share		(0.57)	(0.40)
Diluted earnings per share – cents per share		(0.57)	(0.40)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
as at 31 December 2018

	Note	31 December 2018 $	30 June 2018 $
Current assets			
Cash and cash equivalents		329,032	533,594
Trade and other receivables		454,198	337,404
Other assets		35,760	55,813
Receivables from sale of assets	5	-	3,180,000
Total current assets		**818,990**	**4,106,811**
Non current assets			
Intangible assets	6	2,172,571	2,716,650
Financial Assets	5	3,082,529	-
Property, plant and equipment		10,655	38,100
Deferred consideration		388,000	388,000
Deferred tax assets		182,469	182,469
Total non-current assets		**5,836,224**	**3,325,219**
Total assets		**6,655,214**	**7,432,030**
Current liabilities			
Trade and other payables		757,555	1,067,353
Unearned revenue		111,119	70,814
Provisions		58,617	75,045
Tax liabilities		76,000	130,087
Total current liabilities		**1,003,291**	**1,343,299**
Non current liabilities			
Provisions		72,946	48,391
Total non current liabilities		**72,946**	**48,391**
Total liabilities		**1,076,237**	**1,391,690**
Net assets		**5,578,977**	**6,040,340**
Equity			
Contributed equity	8	9,678,396	9,341,714
Accumulated losses		(4,099,419)	(3,301,374)
Total shareholders' equity		**5,578,977**	**6,040,340**

The above statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the Half Year ended 31 December 2018

Consolidated Entity	Issued Capital	Accumulated Losses	Non-Controlling Interest	Foreign Currency Reserves	Total
	$	$	$	$	$
Balance as at 1 July 2017	**7,038,326**	**(2,556,084)**	**-**	**184,857**	**4,667,099**
Loss for the period	-	(234,367)	461	-	(233,906)
Other comprehensive income	-	-	-	2,274	2,274
Total comprehensive income / (loss)	-	(234,367)	461	2,274	(231,632)
Minority interest in net assets	-	(397,244)	397,244	-	-
Balance as at 31 December 2017	**7,038,326**	**(3,187,695)**	**397,705**	**187,131**	**4,435,467**
Balance as at 1 July 2018	**9,341,714**	**(3,301,374)**	**-**	**-**	**6,040,340**
Loss for the period	-	(798,045)	-	-	(798,045)
Other comprehensive income	-	-	-	-	-
Total comprehensive income / (loss)	-	(798,045)	-	-	(798,045)
Issue of shares	336,682	-	-	-	336,682
Share issue costs	-	-	-	-	-
Balance as at 31 December 2018	**9,678,396**	**(4,099,419)**	**-**	**-**	**5,578,977**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
for the Half Year ended 31 December 2018

	31 December 2018 $	31 December 2017 $
CASH FLOW FROM OPERATING ACTIVITIES *		
Receipts from operating activities	1,558,627	2,074,100
Interest received	-	565
Interest paid	-	(74,372)
Payments to suppliers and employees	(2,367,455)	(2,315,194)
Government grant and tax incentives	225,438	56,454
Income tax paid	-	(31,739)
Net cash (used in) operating activities	**(583,390)**	**(290,186)**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments	98,000	-
Receipt of proceeds from 10% sale of Realtors8 Group	-	210,809
Costs associated with the disposal of subsidiary	(53,000)	-
Net cash provided by investing activities	**45,000**	**210,809**
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(42,256)
Issue of shares	333,828	-
Net cash (used in) / provided by financing activities	**333,828**	**(42,256)**
NET DECREASE IN CASH HELD	**(204,562)**	**(121,633)**
Cash and cash equivalent at beginning of financial period	533,594	382,562
Effects of changes in exchange rates	-	(5,290)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**329,032**	**255,639**

The above statement of cash flows should be read in conjunction with the accompanying notes.

- \- Comparative 31 December 2017 amount includes receipts from discontinued operations.

Notes to the Financial Statements for the Half Year ended 31 December 2018

Note 1—Basis of Preparation of Half-Year Report

These general purpose financial statements for the half-year reporting period ended 31 December 2018 have been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2018, together with any public announcements made during the following half year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except to the matters discussed below.

These financial statements were authorised for issue by the board of directors on 28th February 2019.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

A number of new or amended standards became applicable for the current reporting period, however, the group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There will be some changes to the disclosures in the 30 June 2019 annual report as a consequence of these amendments.

The Group has reviewed the following revised standards:

- AASB 9: Financial Instruments
- AASB 15: Revenue from Contracts with Customers
- AASB 16: Leases (Disclosure only as standard applicable from 1 January 2018)

During the review of these revised standards, the group noted that these standards will not impact the group or that they have already been adopted.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Estimates

When preparing the interim financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Notes to the Financial Statements
for the Half Year ended 31 December 2018

Note 1—Basis of Preparation of Half-Year Report (cont)

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2018.

Going concern basis of accounting

The Group has incurred a net loss after tax for the half year ended 31 December 2018 of $798,045 (31 December 2017: loss of $233,906) with the cash outflow from operating activities of $583,390 (31 December 2017: cash outflow of $290,186). As at 31 December 2018, the Group has a net current liability position of $184,301 (30 June 2018: $2,763,512 net current asset position). The net current liability position as at 31 December 2018 includes the following:

- Cash and cash equivalents of $329,032 (30 June 2018: $533,594) and trade and other receivables of $454,198 (30 June 2018: $337,404).
- a ATO tax debt of $148,790 (30 June 2018: $372,513) (relating to PAYG Withholding and Net GST liabilities owing)
- Deferred contract income liability of $111,119 (30 June 2018: $70,814)

The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due is dependent upon the Group being successful in:

- generating sufficient cash surpluses from operations resulting from meeting revenue forecasts;
- selling down their investment in Cloudaron Shares to create liquidity should the need arise;
- receiving cash proceeds from 8common option holders exercising their options (the number of options as at 27 February 2019 is 38,262,763 options with an estimated exercise value of $1,339,197;
- receiving financial support from its directors and shareholders.

The Directors believe there are reasonable grounds to believe that the Group will be able to continue as a going concern after consideration of the following factors:

- The current business development prospects show an increase in activity and should lead to increasing ongoing revenue;
- The has been a significant reduction of debt over the last financial year ended 30 June 2018, with no long-term debt in the business which frees up working capital;
- Sale proceeds in the form of Cloudaron share sales and option holders exercising their options provides another avenue of liquidity should the business require it;
- The Directors remain committed to the long-term business plan that is contributing to improved results as the business progresses;
- The budgets and forecasts reviewed by the Directors for the next twelve months anticipate the business will continue to produce improved results in the Government Agency expense management sector;

Furthermore, the Directors have the option of seeking further funding to support working capital and the business development activities of the Group by way of equity or debt finance. The Directors are of the opinion that these factors will allow the Group to focus on growth areas and on improving profitability. The Directors continue to monitor the situation closely and are focused on taking all measures necessary to optimise the Group's performance. As at 27 February 2019 the group has cash balances of $218,931 and trade receivables of $243,410.

Notes to the Financial Statements
for the Half Year ended 31 December 2018

The Directors believe that the above indicators demonstrate that the Group will be able to pay its debts as and when they become due and payable and to continue as a going concern and be in a position to realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. Accordingly, the Directors also believe that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

In the event that the Group does not achieve the conditions stated by the Directors, the ability of the Company and therefore the Group to continue as a Going Concern may be impacted and therefore the Group may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial report. No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should the Group and company not continue as going concerns.

Note 2—Loss from Ordinary Activities

All revenue and expense items that are relevant in explaining the financial performance for the interim period have been included in the statement of profit or loss and other comprehensive income.

During the half year ended 31 December 2018 the Group recognised $267,352 impairment of assets on its Singapore based entities along with the write off of other items.

Note 3—Dividends

No dividends have been declared or paid during the period.

Note 4—Operating Segments

The Group has one reportable segment (historically two (2)), as described below, which are the groups strategic business units. The Group has identified its business units based on internal reports that are reviewed on a monthly basis and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The following summary describes the operations in each of the Group's reportable geographic segments:

- Productivity & Performance (including Expense8 and Perform8): Expense8 is a Travel & Expense management software solution that manages and streamlines the end-to-end processing of employee- generated expenses. By using Expense8, clients' administration of expenses charged to corporate credit cards is made easier. Perform8 is an advanced survey and action planning solution that diagnoses and prioritises areas for improvement across your business. Its unique methodology drives continuous improvement throughout your organisation, maximising employee engagement and boosting productivity levels.

Notes to the Financial Statements
for the Half Year ended 31 December 2018

Note 4—Operating Segments (Cont.)

Half year ended December 2018	Performance & Productivity	Realtors8	Head Office	Total
	$	$	$	$
Total segment revenue	1,487,505	-	-	1,487,505
R&D claim	225,438	-	-	225,438
Total Revenue	1,712,943	-	-	1,712,943
Net Profit / (Loss) before tax for the Period	1,322,872	-	(2,120,917)	(798,045)
Adjusted EBITDA	1,633,456	-	(2,113,709)	(480,253)
Total segment assets				
31 December 2018	3,667,951	-	2,987,263	6,655,214
Total segment liabilities				
31 December 2018	818,035	-	258,202	1,076,237

Half year ended December 2017	Performance & Productivity	Realtors8	Head Office	Total
Total segment revenue	1,194,036	656,952	122,517	1,973,505
Net Profit / (Loss) before tax for the Period	(34,288)	135,998	(335,616)	(233,906)
EBITDA	67,810	127,608	(41,721)	153,697
Total segment assets				
31 December 2017	2,620,465	3,642,103	1,245,473	7,508,041
Total segment liabilities				
31 December 2017	1,168,860	-	1,903,714	3,072,574

Notes to the Financial Statements
for the Half Year ended 31 December 2018

The executive management team uses EBITDA as a measure to assess the performance of the segments. This excludes the effects of items such as depreciation, amortisation, tax and finance costs. A reconciliation of the EBITDA to operating profit before income tax is provided as follows:

	31 December 2018 $	31 December 2017 $
Total EBITDA	**(487,461)**	**154,269**
Income tax expense	-	8,390
Interest expense	-	(83,232)
Interest received	716	(572)
Depreciation and Amortization	(311,300)	(312,761)
Loss before income tax from continuing operations	**(798,045)**	**(233,906)**

Note 5 — Financial Assets

During the period to 31 December 2018 the Group received the shares in Cloudaron Berhad as part of the sale of Realtors8 Pte Ltd. Accordingly, it has reclassified the receivable from the sale of assets from a current asset to a Financial Asset with a non-current asset classification measured at a fair value of $3,082,529.

Note 6: Intangible Assets

	Goodwill $	Acquired Intellectual property $	Software Development Costs $	Total $
Consolidated Group:				
Balance at the beginning of the year	1,225,108	437,516	1,054,026	2,716,650
Impairment write-down	-	(249,416)	-	(249,416)
Amortisation charge	-	(173,300)	(121,363)	(294,663)
Period ended 31 December 2018	**1,225,108**	**14,800**	**932,663**	**2,172,571**

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of profit or loss. Goodwill has an indefinite useful live. Development costs have been amortised since 1 January 2017. Software development costs are amortised over a period of 5 years.

Note 7 — Contributed Equity

(a) **Share Capital**

	Note	As at 31 December 2018 $	As at 30 June 2018 $
Ordinary Shares 145,749,636 (30 June 2018: 136,130,136)			
Fully paid shares		9,678,396	9,341,714

	Date and Price	No.	$
Opening Balance		136,130,136	9,341,714
Shares issued	20 July 2018, $0.035	20,000	700
Shares issued	2 November 2018, $0.035	9,599,500	335,982
Closing balance		145,749,636	9,678,396

Note 8 —Contingent Assets and Contingent Liabilities

There are no contingent liabilities or contingent assets as at the date of this half yearly report.

Note 9 – Fair Value Measurement

a) Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following notes (b) and (c) provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

b) Financial Instruments

The fair values of the group's financial asset and financial liabilities equate to the carrying values at the respective reporting dates of 31 December 2018.

c) Fair value hierarchy

The fair values of financial assets and financial liabilities at balance date equate to their carrying values. All financial assets and liabilities are categorised as Level 3 hierarchy assets and liabilities except for cash and financial assets, which are Level 1. The deferred consideration financial liabilities are deemed level 3 as it is based on the exchanged contracts at the time of acquisition.

Note 10 —Events Occurring after the Balance Sheet Date

There are no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Economic Entity, the results of those operations or the state of affairs of the Economic Entity in future financial years.

Directors' Declaration

In the directors' opinion:

(a) The financial statements and notes set out on pages 11 to 21 are in accordance with:

   (i) Accounting Standard AASB 134 Interim Financial Reporting, other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance, for the half-year ended on that date; and

(b) there are reasonable grounds to believe that 8common Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.

Kah Wui Lim

Managing Director
Singapore

Dated this 28th day of February 2019

Walker Wayland NSW
Chartered Accountants

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Independent Auditors Review Report to the Members of 8common Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of 8common Limited (the Company) and its Controlled Entities (collectively the Group) which comprises the consolidated statement of financial position as at 31 December 2018, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to 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 consolidated financial position as at 31 December 2018 and its consolidated financial performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance for the half-year ended on that date; and
b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Walker Wayland NSW

Walker Wayland NSW	**Wali Aziz**
Chartered Accountants	**Partner**

Dated this 28th day of February 2019, Sydney