8COMMON LIMITED & CONTROLLED ENTITIES

ABN 168 232 577

ASX APPENDIX 4D FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

The following information should be read in conjunction with both the Financial Report for the year ended 30 June 2019 and the Interim Report for the half year ended 31 December 2019 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 2019 to 31 December 2019.

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

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 2019	Dec 2018	$ Change	% Change
Revenue and other income	2,051,354	1,712,943	338,411	20%
EBITDA	62,091	(212,901)	274,992	N/A
Loss before tax	(84,516)	(798,045)	713,529	89%
Loss after tax	(119,253)	(798,045)	678,792	85%

NTA backing	Dec 2019	Dec 2018
Net tangible asset backing per ordinary share	1.8 cents	2.6 cents

Dividends

No interim dividend will be paid in relation to the half-year ended 31 December 2019.

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 2019.

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.

Dates: 26 February 2020

Dean Jagger

Company Secretary

8common

8common

8COMMON LIMITED AND ITS CONTROLLED ENTITIES

ACN 168 232 577

INTERIM HALF YEARLY FINANCIAL REPORT

FOR THE PERIOD ENDED

31 DECEMBER 2019

Contents

Directors' Report

Your directors present their report on the Company 8common Limited and its controlled entities for the half-year ended 31 December 2019.

Directors and Company Secretary

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
John Du Bois	Non Executive Director
Nyap Liou "Larry" Gan	Non Executive Director
Dean Jagger	Company Secretary

Principal activities

8common operates Financial Transaction Management and Employee Performance technology platforms. Its Financial Transaction Management products, being Expense8 (travel and expense management), PayHero (procurement payment gateway) and CardHero (pre-paid card funds distribution) deliver closed loop solutions to support regulated, large network and high volume requirements. 8common specialises in large enterprise and government segments.

Our platforms manage in excess of $600m in transactions a year to a growing client base of more than 120,000 platform users including enterprise customers Woolworths, Broadcast Australia, Amcor, and over 120 state and federal government entities.

More details of our 4 products are as follows:

Expense8

The Expense8 platform is a leading pureplay provider of end to end travel and expense management software, card application and management. The innovative software solutions improve organisation's productivity, incorporate company organisational policies and expense auditing to reduce fraud and increase compliance. Expense8 by 8common was named a Major Player in the IDC MarketScape: Worldwide SaaS and Cloud-Enabled Travel and Expense Management Applications 2019 Vendor Assessment.

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.

PayHero

The PayHero platform 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. In combination with Expense8, this delivers a closed loop procurement payment to deliver an integrated procurement approval, payments and reconciliation platform.

CardHero

The CardHero platform is a funding and spending solution which brings together card application, issuance, transaction management and reporting. This delivers operational scalability, transparency and efficiency to suit sophisticated and high volume requirements. In combination with Expense8, this delivers a closed loop funding distribution (e.g. Not for Profit funds disbursement) and spending platform.

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.

Review of Operations

1. Group Performance

For the half year ended 31 December 2019, total revenue for the Group was $2,051,354 which included $279,970 from the ATO R&D grant. Revenue grew 19% from continuing operations on a like for like comparison basis, which excludes the R&D grant. As at 31 December 2019, the Company held cash and equivalents of $925,293. The Company reported an operating loss after tax of ($119,253) which included a one-off $34,737 attributed to tax expenses on the now sold Singapore based subsidiary Realtors8 Pte Ltd and non cash Employee Share Option expense of $131,815. Adjusted Profit (excluding significant items) was $47,299. EBITDA was $62,091 and Adjusted EBITDA (excluding significant items) was $193,906, which takes into account these one-off expenses and non cash share options expenses. The operating cashflow for the period was ($191,919).

	PERIOD TO 31 DECEMBER			
SUMMARY FINANCIAL RESULTS	2019	2018	CHANGE	
	$	$	$	%
Revenue from SaaS (subscription and transaction)	1,271,429	942,865	328,564	35%
Other revenue from continuing operations	499,955	544,640	(44,685)	(8%)
R&D grant	279,970	225,438	54,532	24%
Total Revenue	**2,051,354**	**1,712,943**	**338,411**	**20%**
Total Expenses (inc Cost of services)	2,135,870	2,510,988	(375,118)	(15%)
Adjusted EBITDA[1]	193,906	(129,651)	323,557	N/A
EBITDA	62,091	(212,901)	274,992	N/A
Adjusted Profit [2]	47,299	(798,045)	845,344	N/A
Loss for the period	(119,253)	(798,045)	678,792	85%
Operating cashflow	(191,919)	(583,390)	391,471	67%
Cash and cash equivalents	925,293	329,032	596,261	181%

2. Segment Performance

Expense8

Key KPI highlights for 31 December 2019

KPI	2019	2018	Change
Revenue	1,771,384	1,487,505	19%
SaaS Revenue	1,271,429	942,865	35%
Users	120,130	111,873	7%
Card Transactions	1,723,952	1,701,330	1%
Cards Managed[3]	21,820	9,312	134%
Trips	20,191	7,283	177%

[1] Adjusted EBITDA: $131,815 for non cash Employee Share Option expense added back;
[2] Adjusted Profit: $34,737 for tax expenses for Realtors8 Pte Ltd (Singapore) and $131,815 for non cash Employee Share Option expense added back;
[3] Card application and management platform whereby clients can request for change in limits, requests new PIN's, block a card etc

The company has generated over $1.83m in contract wins in FY20 to date. Key Company highlights for the half year up until the date of this release include:

▪ Extension of the Transport for NSW (TfNSW) contract for an additional 3 years reflecting an estimated $750k in total contract value[4];

▪ Extension of the Federal Prime Minister and Cabinet (PMC) contract for an additional year reflecting an estimated $150k in total contract value;

▪ Extension of the NSW Department of Education contract for an additional year reflecting an estimated $300k in total contract value;

▪ Northern Territory Department of Corporate Information Systems (DCIS) extends Expense8 contract for three years with option for two one-year extensions, total contract value estimated to be $475k;

▪ Federal Australian Electoral Commission (AEC) signs new Expense8 contract for three years with option of two two-year extensions, total contract value (excluding options) estimated to be $337k. This contract will see the AEC implement the Expense8 travel module;

▪ Federal Department of Finance signs implementation contract to implement integrated online travel with estimated implementation fees of $66k.

PayHero

PayHero continues to service its existing clients, which contribute an insignificant revenue stream. Marketing efforts with Expense8 continue to deliver an integrated procurement approval, payments and reconciliation platform.

Perform8

Perform8 continues to be operated with clients which include Help Enterprises Limited and the Peregrine Corporation.

3. Expenses and EBITDA

The Group's EBITDA (excl significant items) was $194,306 in the half year ended 31 December 2019. This compares to ($129,651) in the pcp. The key drivers to the 31 December 2019 result were:

- 19% increase in Total Revenue on a pcp basis to $1,771,384;
- 35% increase in SaaS revenue on a pcp basis to $1,271,429;
- 14% decrease in Total Expenses on a pcp basis to $2,148,829
- One off $34,737 costs for Realtors8 corporate tax;
- Non cash Share based payments expense of $131,815

4. Funding and Cash-flow

As at the date of release, the Group has cash and cash equivalents of $1,858,827 and recorded $269,069 in positive operating cashflow for the twelve months ended 31 December 2019.

Key highlights relating to funding:

- Final tranche of 15,791,313 8COO listed options were converted subsequent to 31 December 2019 providing 8CO with a cash injection of $552,696;
- The 8COO options expired on 8 February 2020, with 1,095,281 options having lapsed or been cancelled;
- Since February 2018, 56,908,841 8COO options have been exercised providing the Company with a total cash injection of $1.99 million;
- We have approximately $2,240,033 worth of Cloudaron Berhad (listed on Bursa Malaysia) of which approximately $1.1m are available for sale (not escrowed). The remainder, are held in

[4] All references to contract values are inclusive of GST

voluntary escrow until 30 June 2020. The figures above are based on the Cloudaron share price at 31 December 2019 of MYR0.165 and use the AUD/MYR foreign exchange rate of 2.86;

- A $1.3m fair value loss has been recognized in the 6 months to 31 December 2019 through other comprehensive income.

5. Outlook

We would like to record our appreciation to shareholders, the awesome team and clients who have collectively supported and delivered the results. The combination of a significantly strengthened balance sheet and strong operating growth results have put us in a position to scale faster.

Performance in the December 2019 half year reaffirms the attractiveness of its business model with strong monthly recurring and usage based income. Existing client renewals and clear visibility of new client acquisition provides a solid foundation.

Revenue growth is expected to accelerate over the remaining half year which is driven by recently announced mandates. The CardHero and PayHero opportunities are expected to impact revenue and growth over the next 12 months.

Significant Events since Balance Sheet Date

- Final tranche of 15,791,313 8COO listed options have recently converted providing 8CO with a cash injection of $552,696;
- The 8COO options have now expired with 1,095,281options having lapsed or been cancelled;
- As at the date of this report the investment in Cloudaron has a market value of $1,401,064.

A copy of the auditor’s independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

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

Kah Wui Lim

Managing Director
Dated this 26th of February 2020, Singapore

Walker Wayland NSW
Chartered Accountants

ABN 55 931 152 366

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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 2019 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 26th day of February 2020, Sydney

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2019

	31 December 2019 $	31 December 2018 $
Revenue from continuing operations	1,771,384	1,487,505
Cost of services	(196,566)	(283,780)
Gross Profit	**1,574,818**	1,203,725
Other revenue - R&D grant	279,970	225,438
EXPENSES FROM CONTINUING OPERATIONS		
Professional fees	(59,629)	(23,889)
Borrowing costs	-	(6,492)
Computer software and maintenance	(130,732)	(105,999)
Depreciation and amortisation	(146,693)	(578,652)
Employee and contractor costs	(1,218,451)	(1,279,013)
Marketing	(32,382)	(2,700)
Occupancy expenses	(38,554)	(45,347)
Share based payments expense	(131,815)	-
Other expenses from ordinary activities	(181,048)	(185,116)
Total Expenses	**(1,939,304)**	**(2,227,208)**
NET LOSS BEFORE INCOME TAX	**(84,516)**	**(798,045)**
Income tax expense	(34,737)	-
NET LOSS FOR THE PERIOD	**(119,253)**	**(798,045)**
Other comprehensive income – Revaluation loss on financial assets at fair value through other comprehensive income	(1,320,746)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(1,439,999)**	**(798,045)**
Earnings per share		
Basic earnings per share – cents per share	(0.08)	(0.57)
Diluted earnings per share – cents per share	(0.08)	(0.57)

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 2019

	Note	31 December 2019 $	30 June 2019 $
Current assets			
Cash and cash equivalents		925,293	1,033,383
Trade and other receivables		298,592	335,755
Deferred consideration	5	388,000	-
Other assets		90,500	30,384
Total current assets		**1,702,385**	**1,399,522**
Non current assets			
Financial Assets	6	2,240,033	3,560,779
Property, plant and equipment		16,731	10,533
Deferred consideration	5	-	388,000
Intangible assets	7	1,908,466	2,051,207
Deferred tax assets		138,687	138,687
Total non-current assets		**4,303,917**	**6,149,206**
Total assets		**6,006,302**	**7,548,728**
Current liabilities			
Trade and other payables		753,387	976,615
Contract liabilities		237,590	371,097
Provisions		109,218	96,171
Total current liabilities		**1,100,195**	**1,443,883**
Non current liabilities			
Provisions		76,465	60,998
Total non current liabilities		**76,465**	**60,998**
Total liabilities		**1,176,660**	**1,504,881**
Net assets		**4,829,642**	**6,043,847**
Equity			
Contributed equity	8	10,053,043	9,959,064
Accumulated losses		(4,776,849)	(4,657,596)
Asset revaluation reserve		(841,996)	478,750
Share based payments reserve	11	395,444	263,629
Total shareholders' equity		**4,829,642**	**6,043,847**

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 2019

Consolidated Entity	Issued Capital	Accumulated Losses	Asset Revaluation Reserve	Share based payment reserve	Total
	$	$	$	$	$
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
Balance as at 31 December 2018	**9,678,396**	**(4,099,419)**	**-**	**-**	**5,578,977**
Balance as at 1 July 2019	**9,959,064**	**(4,657,596)**	**478,750**	**263,629**	**6,043,847**
Loss for the period	-	(119,253)	-	-	(119,253)
Other comprehensive income	-	-	(1,320,746)	-	(1,320,746)
Total comprehensive income / (loss)	-	(119,253)	(1,320,746)	-	(1,439,999)
Issue of shares	93,979	-	-	-	93,979
Share based payments	-	-	-	131,815	131,815
Balance as at 31 December 2019	**10,053,043**	**(4,776,849)**	**(841,996)**	**395,444**	**4,829,642**

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 2019

	31 December 2019 $	31 December 2018 $
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operating activities	1,818,019	1,558,627
Interest received	301	-
Payments to suppliers and employees	(2,290,209)	(2,367,455)
Government grant and tax incentives	279,970	225,438
Net cash (used in) operating activities	**(191,919)**	**(583,390)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(10,150)	-
Proceeds from disposal of investments	-	98,000
Costs associated with the disposal of subsidiary	-	(53,000)
Net cash (used in) / provided by investing activities	**(10,150)**	**45,000**
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares	93,979	333,828
Net cash provided by financing activities	**93,979**	**333,828**
NET DECREASE IN CASH HELD	**(108,090)**	**(204,562)**
Cash and cash equivalent at beginning of financial period	1,033,383	533,594
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**925,293**	**329,032**

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

Notes to the Financial Statements
for the Half Year ended 31 December 2019

Note 1—Basis of Preparation of Half-Year Report

These general purpose financial statements for the half-year reporting period ended 31 December 2019 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 2019, 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 26th February 2020.

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 2020 annual report as a consequence of these amendments.

The Group has reviewed the following revised standards:

- AASB 16: Leases (Disclosure only as standard applicable from 1 January 2019)

During the review of these revised standards, the Directors noted that the adoption of AASB 16 had no impact on the group as it does not have any long term leases in excess of 12 months.

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 2019

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 2019.

Going concern basis of accounting

The Group has incurred a net loss after tax for the half year ended 31 December 2019 of $119,253 (31 December 2018: loss of $798,045) with the cash outflow from operating activities of $191,919 (31 December 2018: cash outflow of $583,390). As at 31 December 2019, the Group has a net current asset position of $602,190 (30 June 2019: $44,361 net current liability position). The net current asset position as at 31 December 2019 includes the following:

- Cash and cash equivalents of $925,293 (30 June 2019: $1,033,383) and trade and other receivables of $298,592 (30 June 2019: $335,755).
- Deferred contract income liability of $237,590 (30 June 2019: $371,097)

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 may be 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 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;
- Potential sale proceeds in the form of Cloudaron share sales 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;
- Conversion of options subsequent to 31 December 2019 resulted in cash receipts of $552,696 in contributed equity.

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 convertible note 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.

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.

Note 3—Dividends

No dividends have been declared or paid during the period.

Note 4—Operating Segments

The Group has one reportable segment, 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 an organisation, maximising employee engagement and boosting productivity levels.

Notes to the Financial Statements
for the Half Year ended 31 December 2019

Note 4—Operating Segments (Cont.)

Half year ended December 2019	Performance & Productivity	Head Office	Total
	$	$	$
Total segment revenue	1,771,384	-	1,771,384
R&D grant	279,970	-	279,970
Total Revenue	2,051,354	-	2,051,354
Net Profit / (Loss) before tax for the Period	14,871	(99,387)	(84,516)
Adjusted EBITDA*	140,186	53,720	193,906

*Adjusted EBITDA relates to Earnings before income tax, depreciation and amortisation including one off and non cash items.

Total segment assets			
31 December 2019	3,710,656	2,295,646	6,006,302
Total segment liabilities			
31 December 2019	882,936	293,724	1,176,660

Half year ended December 2018	Performance & Productivity	Head Office	Total
Total segment revenue	1,487,505	-	1,487,505
R&D grant	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)
EBITDA	1,633,456	(1,846,357)	(212,901)
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

Notes to the Financial Statements
for the Half Year ended 31 December 2019

Note 4—Operating Segments (Cont.)

The executive management team uses EBITDA as a measure to assess the performance of the business. 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 2019 $	31 December 2018 $
Total EBITDA	**62,091**	**(212,901)**
Interest expense	(215)	(6,492)
Interest received	301	-
Depreciation and Amortisation	(146,693)	(578,652)
Loss before income tax	**(84,516)**	**(798,045)**

Note 5 — Deferred consideration

The Group expects to receive shares in Cloudaron Berhad as part of the earnout for the sale of Realtors8 Pte Ltd. As the transaction related to these shares is expected to be completed by 30 June 2020, this value has been reallocated to current assets from a non current asset.

For clarity this is up to SGD$1.05 million via the issuance of 13,013,875 shares, subject to the EBITDA Guarantee and adjustments in accordance with the terms of the Realtors8 SPA. The EBITDA Guarantee provided by 8common is that the combined EBITDA of Realtors8 Group for the FYE 31 March 2019 and 31 March 2020 shall be at least SGD$1,050,000. For illustrative purposes, if the EBITDA achieved for the FYE 2019 and FYE 2020 is SGD$900,000, then shares in Cloudaron will be issued to the value of SGD$900,000 to 8common Limited.

Note 6 — Financial Assets

The Group holds shares in Cloudaron Berhad as part of the sale of Realtors8 Pte Ltd. These shares are included as a Financial Asset with a non-current asset classification measured at a fair value of $2,240,033 based on the market price on the Bursa Stock Exchange as at 31 December 2019.

		31 December 2019 $	30 June 2019 $
Financial assets at fair value through other comprehensive income	(i)	2,240,033	3,560,779
		2,240,033	3,560,779

(i) The material decrease in carrying value of $1,320,746 is due to a reduction in the closing market price of the Cloudaron shares on the Malaysian Bursa. This reduction has been recognised within other comprehensive income.

Notes to the Financial Statements
for the Half Year ended 31 December 2019

Note 7: Intangible Assets

	Goodwill	Acquired Intellectual property	Software Development Costs	Total
	$	$	$	$
Consolidated Group:				
Carrying value at 1 July 2019	1,225,108	14,800	811,299	2,051,207
Amortisation charge	-	-	(142,741)	(142,741)
Period ended 31 December 2019	**1,225,108**	**14,800**	**668,558**	**1,908,466**

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.

Acquired intellectual property (PayHero) is not being amortised as the product is still in development phase.

Note 8 — Contributed Equity

(a) **Share Capital**

	As at 31 December 2019	As at 30 June 2019
	$	$
Ordinary Shares 156,453,822 (30 June 2019: 153,768,696)		
Fully paid shares	10,053,043	9,959,064

	Date and Price	**No.**	**$**
Opening Balance		153,768,696	9,959,064
Shares issued	15 July 2019, $0.035	806,100	28,214
Shares issued	19 July 2019, $0.035	1,302,926	45,602
Shares issued	1 August 2019, $0.035	100,000	3,500
Shares issued	23 August 2019, $0.035	407,500	14,262
Shares issued	18 December 2019, $0.035	68,600	2,401
Total issued		2,685,126	93,979
Closing balance 31 December 2019		156,453,822	10,053,043

Notes to the Financial Statements
for the Half Year ended 31 December 2019

Note 9 —Contingent Assets and Contingent Liabilities

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

Note 10 – 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 2019. The carrying amounts of trade and other payables and trade and other receivables are assumed to approximate their fair values due to their short term nature.

c) Fair value hierarchy

Set out below, is a comparison of the carrying amounts and fair values of financial assets as at 31 December 2019 and 30 June 2019:

	31 December 2019		30 June 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	$	$	$	$
Consolidated Group:				
Deferred consideration	388,000	388,000	388,000	388,000
Financial assets at fair value through other comprehensive income	2,240,033	2,240,033	3,560,779	3,560,779
Total	**2,628,033**	**2,628,033**	**3,948,779**	**3,948,779**

Notes to the Financial Statements
for the Half Year ended 31 December 2019
Note 10 – Fair Value Measurement (Cont.)

The following table provides the fair value measurement hierarchy of the Group's financial assets as at 31 December 2019:

	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	$	$	$	$
As at 31 December 2019:				
Financial assets measured at fair value:				
Deferred consideration	388,000	-	388,000	-
Financial assets at fair value through other comprehensive income	2,240,033	2,240,033	-	-

	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	$	$	$	$
As at 30 June 2019:				
Financial assets measured at fair value:				
Deferred consideration	388,000	-	388,000	-
Financial assets at fair value through other comprehensive income	3,560,779	3,560,779	-	-

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the six months ended 31 December 2019.

Notes to the Financial Statements
for the Half Year ended 31 December 2019
Note 10 – Fair Value Measurement (Cont.)

Fair value hierarchy

All financial instruments for which fair value is recognised or disclose are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement in unobservable

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisations (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs in the fair value measurements during the period.

Note 11 —Share based payments reserve

During the six months ended 31 December 2019, a share based payments expense of $131,815 has been recognised relating to options issued to management and employees pursuant to the employees share options plan. A total share based payments reserve of $395,444 has been recognised in relation to the total share options expensed. No new options were issued during the half year.

Note 12 —Events Occurring after the Balance Sheet Date

Since the end of the financial period the following have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Economic Entity in future financial years.

- Final tranche of 15,791,313 8COO listed options have recently converted providing 8CO with a cash injection of $552,696;
- The 8COO options expired on 8 February 2020, with 1,095,281 options having lapsed or been cancelled;
- As at the date of this report the investment in Cloudaron has a market value of $1,401,064.

Directors' Declaration

In the directors' opinion:

(a) The financial statements and notes set out on pages 10 to 22 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 2019 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 26th day of February 2020

walkerwayland

Walker Wayland NSW
Chartered Accountants

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Independent Auditors Review Report to the Shareholders 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 2019, 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 2019 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 2019 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 26th day of February 2020, Sydney