

8COMMON LIMITED & CONTROLLED ENTITIES

ABN 168 232 577

ASX APPENDIX 4D FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

The following information should be read in conjunction with both the Financial Report for the year ended 30 June 2022 and the Interim Report for the half year ended 31 December 2022 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 2022 to 31 December 2022.

Previous corresponding period: Half-year from 1 July 2021 to 31 December 2021.

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 2022	Dec 2021	\$ Change	% Change
Revenue and other income	3,036,940	1,883,168	1,153,168	61%
EBITDA	(836,332)	(774,643)	(61,689)	(8%)
Loss before tax	(1,247,646)	(950,603)	(297,043)	(31%)
Loss after tax	(1,247,646)	(926,153)	(321,494)	(35%)

NTA backing	Dec 2022	Dec 2021
Net tangible asset backing per ordinary share	1.9 cents	2.2 cents

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 2022.

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.

Date: 28 February 2023

Approved by the Board of Directors



8COMMON LIMITED AND ITS CONTROLLED ENTITIES

ACN 168 232 577

INTERIM HALF YEARLY FINANCIAL REPORT

FOR THE PERIOD ENDED

31 DECEMBER 2022

Contents

Directors' Report	3
Auditors' Independence Declaration	7
Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2022	9
Consolidated Statement of Financial Position as at 31 December 2022	10
Consolidated Statement of Changes in Equity for the Half Year ended 31 December 2022	11
Consolidated Statement of Cash Flows for the Half Year ended 31 December 2022	12
Notes to the Financial Statements for the Half Year ended 31 December 2022	13
Directors' Declaration	23
Independent Auditors Review Report to the Members of 8common Limited	24

Directors' Report

Your directors present their report on the Company 8common Limited and its controlled entities for the half-year ended 31 December 2022.

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
Kok Fui Lau	Non Executive Director
Max Crowley	Company Secretary

Principal activities

8common operates Financial Transaction and Payment Management technology platforms targeted at large enterprise and government segments. Its products, being Expense8 (travel and expense management) and CardHero (payment and funds distribution cards) deliver closed loop solutions to support regulated, large network and high volume requirements.

Our platforms manage a growing client base of more than 175,000 platform users and over \$1B in annualised transactions managed including enterprise customers Woolworths, Broadcast Australia, Amcor, and over 158 state and federal government entities.

More details of our 3 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 an 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 whole of Northern Territory Government, Federal Department of the Prime Minister and Cabinet, Woolworths, NSW Department of Education. Approximately 22,000 NT Government employees, 94,000 employees within NSW Government and over 30,000 employees within the Australian Federal Government use Expense8.

CardHero

The CardHero platforms combine EML Payments (ASX:EML) issued pre-paid Mastercards with 8commons Expense8 spend reconciliation solution. This combination brings together card application, issuance, transaction management and reporting to deliver a sophisticated, scalable and transparent solution. The CardHero and CardHero+ platforms have two distinctive use cases and clients in mind:

- **CardHero** drives payment approval and reconciliation efficiency. It integrates card payment with expense management and targets government and large enterprise clients.
- **CardHero+** delivers convenient fund distribution and spend data. It integrates fund payment with spend management and targets not for profits, grant providers, charities and government.

Review of Operations

1. Group Performance

For the half year ended 31 December 2022, total revenue for the Group was \$3,036,940. Whilst SaaS revenue grew 31%, the overall position increased by 61%. As at 31 December 2022, the Company held cash and equivalents of \$1,888,362. The Group incurred an operating loss after tax of (\$1,247,646) which included a non cash Employee Share Option expense of \$95,573. EBITDA for the period was (\$836,332) and an Adjusted EBITDA (excluding employee share option expense) was (\$740,759). The operating cashflow for the period was (\$868,949).

SUMMARY FINANCIAL RESULTS	PERIOD TO 31 DECEMBER			
	2022	2021	CHANGE	
	\$	\$	\$	%
Revenue from SaaS (subscription and transaction)	1,806,742	1,377,781	428,961	31%
Other revenue from continuing operations	1,230,198	505,387	724,811	143%
Total Revenue	3,036,940	1,883,168	1,153,772	61%
Total Expenses (inc Cost of services)	(4,284,586)	(2,809,321)	(1,475,265)	53%
Adjusted EBITDA	(740,759)	(668,564)	(72,195)	(11%)
EBITDA	(836,332)	(774,643)	(61,689)	(8%)
Loss for the period	(1,247,646)	(926,153)	(321,493)	(35%)
Operating cash outflow	(868,949)	(977,375)	108,426	11%
Cash and cash equivalents	1,888,362	4,899,687	(3,011,325)	(61%)

2. Segment Performance

Expense8

Key KPI highlights for 31 December 2022

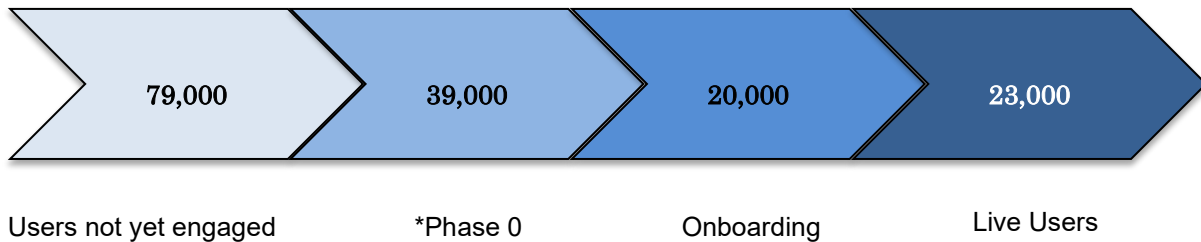
KPI	2022	2021	Change
Total Revenue	3,036,940	1,883,168	61%
SaaS Revenue	1,806,742	1,377,781	31%
Users	175,461*	173,526	1%
Card Transactions	1,864,335	1,147,080	63%
Trips	23,459	6,904	240%

* Approximately 10,000 users were off-boarded as a result of a State Government entity re-aligning their users.

The Company has continued to deliver on its GovERP mandate which it won at the start of FY22. Expense8 was chosen to become Travel and Expense management solution for the Australian Government GovERP Complementary (edge) capabilities panel (edge Panel), part of the Government's Shared Services Transformation initiative.

GovERP onboarding pipeline

As at 31 December 2022 there are approximately 161k Total Potential Users Under the GovERP Program



* Phase 0 Discovery workshops are a key pre onboarding phase for Federal Government agencies on their path to adopting the GovERP template and as such can be viewed as a precursor to future user additions. Over 61k users under the GovERP program have commenced or completed Phase 0 Discovery workshops.
Source: <https://budget.gov.au/2022-23-october/content/bp4/index.htm>

Over 90 Commonwealth agencies (which include over 130K employees) participate in the Shared Services Program and could utilise Expense8. With another 79 Commonwealth agencies having an option to opt-in to the Program. 8CO generates a Federal Government ARPU of \$52 (\$53 pre-covid) servicing approximately 20,000 employees across 30 entities;

The Company has generated over \$4.0m inc GST in total value of signed implementation and development contracts to date under the GovERP Deed as at 31 December 2022.

CardHero

CardHero went live with its 2nd customer being Westhaven who deployed the cards to be used for NDIS, Youthcare and as their Corporate cards;

3. Expenses and EBITDA

The Group's EBITDA (excl employee share option expense) was a loss of (\$740,759) in the half year ended 31 December 2022. This compares to an EBITDA loss of (\$668,564) in the pcp. The key drivers to the 31 December 2022 result were:

- 61% increase in Total Revenue on a pcp basis to \$3,036,940;
- 31% increase in SaaS revenue on a pcp basis to \$1,806,742;
- 53% increase in Total Expenses on a pcp basis to \$4,284,586;
- Non cash Share based payments expense of \$95,573

4. Funding and Cash-flow

As at 31 December 2022, the Group has cash and cash equivalents of \$1,888,362 and recorded \$868,949 in operating cash outflows for the six months ended 31 December 2022. We anticipate a significantly improved performance in cash-flow in 2H FY2023 as given the recently announced contracts from GovERP. Up until the publication of this release, the following are the notable contracts:

- \$1.15m inc GST contract with the Australia Securities and Investments Commission (ASIC)
- \$2.1m inc GST contract which includes multiple implementation contract including"
 - The Department of Climate Change, Energy, the Environment and Water (DCCEEW)
 - Implementation of additional entities into the Service Delivery Office of the Department of Finance
 - The uplift of an existing 6 agencies under the previously signed Service Delivery Office (SDO) within the Department of Finance to the GovERP template.

5. Outlook

Winning GovERP was a company changing milestone in 1H FY2022. We are pleased with the progress we have made in collaboration with GovERP and this is well demonstrated by the contract wins. With a committed team, strong balance sheet and both Expense8 and CardHero achieving significant milestones, we anticipate a strong finish to FY 2023.

Revenue growth especially in both SaaS and implementation has accelerated and we anticipate a further growth which is driven by new mandates. CardHero is delivering revenue and we expect growing contributions from this segment.

The Company continues to expand its presence amongst government, not for profit and large enterprises. As more entities progress to the on-boarding phase of Expense8 under the GovERP program, we anticipate user numbers to continue to grow in coming quarters. A growing proportion of users on our platforms from within Federal government is anticipated to grow our ARPU over FY23 and beyond, delivering material revenue growth for the Company and driving the business towards positive cashflow

Significant Events since Balance Sheet Date

As at the date of this report the investment in Cloudeon (CLOUD:MK) has a market value of \$769,384, based on quoted share price on the Malaysian Stock Exchange.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group 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 7.

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



Kah Wui Lim

Managing Director

Dated this 28th of February 2023, Malaysia

28 February 2023

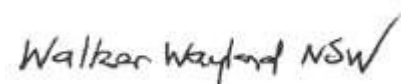
The Directors
8common Limited
Level 7, 320 Pitt Street
SYDNEY NSW 2000

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 2022 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
Chartered Accountants



Wali Aziz
Partner

A modern office interior with large windows, indoor plants, and people working. The scene is brightly lit with natural light from the windows. In the foreground, there are several potted plants on a black metal shelf. A large, dark, rectangular object, possibly a piece of equipment or a large plant, is visible on the right side. The background shows a cityscape with buildings and a red roof. The text "Financial Statements" is centered in a white box.

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2022

		31 December 2022	31 December 2021
	Note	\$	\$
Revenue from continuing operations		2,934,584	1,883,168
Cost of services		(841,491)	(386,187)
Gross Profit		2,093,093	1,496,981
Other revenue		102,355	-
EXPENSES FROM CONTINUING OPERATIONS			
Professional fees		(49,905)	(114,359)
Computer software and maintenance		(284,926)	(277,382)
Depreciation and amortisation		(416,660)	(176,208)
Employee and contractor costs		(2,268,094)	(1,550,066)
Marketing expenses		(40,000)	(32,546)
Occupancy expenses		(31,398)	(40,761)
Share based payments expense	10	(95,573)	(106,079)
Other expenses from ordinary activities		(256,538)	(150,183)
Total Expenses		(3,443,094)	(2,447,584)
NET LOSS BEFORE INCOME TAX		(1,247,646)	(950,603)
Income tax benefit		-	24,450
NET LOSS FOR THE PERIOD		(1,247,646)	(926,153)
Other comprehensive income/(loss) – Revaluation gain/(loss) on financial assets at fair value through other comprehensive income		(49,354)	39,915
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(1,297,000)	(886,238)
Earnings per share			
Basic earnings per share – cents per share		(0.56)	(0.43)
Diluted earnings per share – cents per share		(0.56)	(0.43)

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 2022

	Note	31 December 2022 \$	30 June 2022 \$
Current assets			
Cash and cash equivalents		1,888,362	3,252,940
Trade and other receivables		839,043	325,424
Other assets		205,443	73,134
Total current assets		2,932,848	3,651,498
Non current assets			
Financial Assets	5	1,214,165	1,263,519
Property, plant and equipment		57,450	13,573
Intangible assets	6	3,390,420	3,800,941
Total non-current assets		4,662,035	5,078,033
Total assets		7,594,883	8,729,531
Current liabilities			
Trade and other payables		1,158,833	1,121,680
Contract liabilities		377,106	379,578
Provisions		259,411	244,906
Total current liabilities		1,795,350	1,746,164
Non current liabilities			
Provisions		110,751	93,158
Total non current liabilities		110,751	93,158
Total liabilities		1,906,101	1,839,322
Net assets		5,688,782	6,890,209
Equity			
Contributed equity	7	16,831,044	16,777,951
Accumulated losses		(10,452,323)	(9,204,677)
Asset revaluation reserve		(1,872,640)	(1,823,286)
Share based payments reserve	10	1,182,701	1,140,221
Total shareholders' equity		5,688,782	6,890,209

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 2022

Consolidated Entity	Issued Capital	Accumulated Losses	Asset Revaluation Reserve	Share based payment reserve	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2021	13,148,139	(6,749,009)	(2,101,845)	826,833	5,124,118
Loss for the period	-	(926,153)	-	-	(926,153)
Other comprehensive income	-	-	39,915	-	39,915
Total comprehensive income / (loss)	-	(926,153)	39,915	-	(886,238)
Issue of shares	3,784,550	-	-	-	3,784,550
Costs of share issue	(231,184)	-	-	36,484	(194,700)
Share based payments	-	-	-	106,079	106,079
Transfer of share based payment	-	45,422	-	(45,422)	-
Balance as at 31 December 2021	16,701,505	(7,629,743)	(2,061,930)	923,974	7,933,806
Balance as at 1 July 2022	16,777,951	(9,204,677)	(1,823,286)	1,140,221	6,890,209
Loss for the period	-	(1,247,646)	-	-	(1,247,646)
Other comprehensive income	-	-	(49,354)	-	(49,354)
Total comprehensive income / (loss)	-	(1,247,646)	(49,354)	-	(1,297,000)
Exercise of Zero exercise price options	53,093	-	-	(53,093)	-
Share based payments	-	-	-	95,573	95,573
Balance as at 31 December 2022	16,831,044	(10,452,323)	(1,872,640)	1,182,701	5,688,782

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 2022

	31 December 2022 \$	31 December 2021 \$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operating activities	2,753,755	1,750,928
Interest received	5,849	249
Payments to suppliers and employees	(3,628,553)	(2,728,552)
Net cash (used in) operating activities	(868,949)	(977,375)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Software development costs	(453,146)	(935,973)
Purchase of fixed assets	(42,483)	-
Net cash (used in) investing activities	(495,629)	(935,973)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares via placement	-	3,780,000
Conversion of options	-	4,550
Costs related to issue of shares	-	(194,700)
Net cash provided by financing activities	-	3,589,850
NET (DECREASE)/INCREASE IN CASH HELD	(1,364,578)	1,676,502
Cash and cash equivalent at beginning of financial period	3,252,940	3,223,185
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,888,362	4,899,687

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 2022

Note 1—Basis of Preparation of Half-Year Report

These general purpose financial statements for the half-year reporting period ended 31 December 2022 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 2022, 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 2023.

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 since they did not have an impact on the Group

The Group has not early adopted any new and revised Accounting Standards that are not yet mandatory.

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.

Judgement and 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.

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 2022.

Notes to the Financial Statements

for the Half Year ended 31 December 2022

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

Going concern basis of accounting

The Group has incurred a net loss after tax for the half year ended 31 December 2022 of \$1,247,646 (31 December 2021: loss of \$926,153) with the cash outflows from operating activities of \$868,949 (31 December 2021: cash outflow of \$977,375). As at 31 December 2022, the Group has a net current asset position of \$1,137,498 (30 June 2022: \$1,905,334 net current asset position). The net current asset position as at 31 December 2022 includes the following:

- Cash and cash equivalents of \$1,888,362 (30 June 2022: \$3,252,940) and trade and other receivables of \$839,043 (30 June 2022: \$325,424).
- Deferred contract liability of \$377,106 (30 June 2022: \$379,578)

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;

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.

Notes to the Financial Statements for the Half Year ended 31 December 2022

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 CardHero):** 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. CardHero is a pre-paid card fund distribution platform that delivers a closed loop solution to support regulated, large network and high volume requirements.

Notes to the Financial Statements for the Half Year ended 31 December 2022

Note 4—Operating Segments (Cont.)

Half year ended December 2022	Performance & Productivity	Head Office	Total
	\$	\$	\$
Total segment revenue	2,935,247	101,693	3,036,940
Net (Loss) before tax for the Period	(1,153,363)	(94,283)	(1,247,646)
Adjusted EBITDA*	(680,959)	(59,810)	(740,759)

*Adjusted EBITDA relates to Earnings before interest, income tax, depreciation and amortisation and share based payments.

Total segment assets			
31 December 2022	6,351,880	1,243,003	7,594,883
Total segment liabilities			
31 December 2022	1,730,841	175,260	1,906,101

Half year ended December 2021	Performance & Productivity	Head Office	Total
Total segment revenue	1,882,928	240	1,883,168
Net (Loss) before tax for the Period	(576,829)	(373,774)	(950,603)
Adjusted EBITDA*	(400,869)	(267,695)	(668,564)
Total segment assets			
31 December 2021	9,200,240	616,141	9,816,381
Total segment liabilities			
31 December 2021	1,779,438	103,136	1,882,574

Notes to the Financial Statements for the Half Year ended 31 December 2022

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 2022 \$	31 December 2021 \$
Total EBITDA	(836,332)	(774,643)
Tax (expense)/benefit	-	24,450
Interest expense	(502)	-
Interest received	5,848	248
Depreciation and Amortisation	(416,660)	(176,208)
Net Loss after tax	(1,247,646)	(926,153)

Note 5 — 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 \$1,214,165 based on the market price on the Bursa Stock Exchange as at 31 December 2022.

	31 December 2022 \$	30 June 2022 \$
Financial assets at fair value through other comprehensive income	1,214,165	1,263,519
	<u>1,214,165</u>	<u>1,263,519</u>

Notes to the Financial Statements for the Half Year ended 31 December 2022

Note 6: Intangible Assets

	Goodwill	Acquired Intellectual property	Software Development Costs – Expense ⁸	Software Development Costs – CardHero	Total
	\$	\$	\$	\$	\$
Consolidated Group:					
Carrying value at 1 July 2022	1,225,108	14,800	161,585	2,399,448	3,800,941
Addition	-	-	-	344	344
Amortisation charge	-	-	(154,332)	(256,533)	(410,865)
Period ended 31 December 2022	1,225,108	14,800	7,253	2,143,259	3,390,420

Intangible assets, other than goodwill and intellectual property, 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 life. 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 its useful life is indefinite. The CardHero developments costs have started to be amortised from 1 December 2021 over a period of 5 years.

Note 7 — Contributed Equity

(a) Share Capital

	Note	As at 31 December 2022	As at 30 June 2022
		\$	\$
Ordinary Shares 222,796,476 (30 June 2022: 222,254,704)			
Fully paid shares		16,831,044	16,777,951

	Date and Price	No.	\$
Opening Balance 1 July 2022		222,254,704	16,777,951
Shares issued	18 November 2022, \$0.098	541,772	53,093
Total issued		541,772	53,093
Closing balance 31 December 2022		222,796,476	16,831,044

Notes to the Financial Statements for the Half Year ended 31 December 2022

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 2022. 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 2022 and 30 June 2022:

	31 December 2022		30 June 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Consolidated Group:				
Financial assets at fair value through other comprehensive income	1,214,165	1,214,165	1,263,519	1,263,519
Total	1,214,165	1,214,165	1,263,519	1,263,519

Notes to the Financial Statements for the Half Year ended 31 December 2022

Note 9 – Fair Value Measurement (Cont.)

The following table provides the fair value measurement hierarchy of the Group's financial assets as at 31 December 2022:

	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 2022:

Financial assets measured at fair value:

Financial assets at fair value through other comprehensive income	1,214,165	1,214,165	-	-
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	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 2022:

Financial assets measured at fair value:

Financial assets at fair value through other comprehensive income	1,263,519	1,263,519	-	-
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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 2022.

Notes to the Financial Statements for the Half Year ended 31 December 2022

Note 9 – Fair Value Measurement (Cont.)

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed 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 is 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 10 – Share based payments reserve

During the six months ended 31 December 2022, a share based payments expense of \$95,573 has been recognised relating to options issued to Directors pursuant to the employees share options plan. As at 31 December 2022 the following options were on issue:

	Number	Weighted Average exercise price \$
Balance as at beginning of the year	17,905,054	0.156
Options granted during the year	800,000	0.13
Zepo granted	541,772	0.098
Zepo converted	(541,772)	0
Balance as at 31 December 2022	18,705,054	0.175

Note 11 – 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.

Notes to the Financial Statements for the Half Year ended 31 December 2022

Note 11 —Events Occurring after the Balance Sheet Date (Cont.)

As at the date of this report the investment in Cloudaron (CLOUD:MK) has a market value of \$769,384, based on quoted share price on the Malaysian Stock Exchange.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

Note 12 —Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

A company that Mr Lim is an owner of 8capita Sdn Bhd, provided outsourced labour hire to the group during the period. The total value of the services provided for the current year was \$305,930 (2021: \$209,031). A company that Mr Grujic is a part owner of Bespoke Insurance Group Pty Limited, provided insurance services to the group during the period. The total value of the services provided for the current period was \$122,405 (2021: \$99,640).

Directors' Declaration

In the directors' opinion:

- (a) The financial statements and notes set out on pages 9 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 2022 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
Kuala Lumpur

Dated this 28th day of February 2023

Independent Auditors Review Report to the Shareholders of 8common Limited

Conclusion

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 2022, 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.

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 2022 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.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

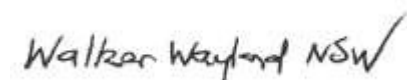
Directors' Responsibility for the Half-Year Financial Report

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. 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 Company's financial position as at 31 December 2022 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.

A handwritten signature in black ink that reads 'Walker Wayland NSW'.

Walker Wayland NSW
Chartered Accountants

A handwritten signature in black ink that appears to read 'Wali Aziz'.

Wali Aziz
Partner

Dated this 28th day of February 2023, Sydney