

8COMMON LIMITED & CONTROLLED ENTITIES

ABN 168 232 577

ASX APPENDIX 4D FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

The following information should be read in conjunction with both the Financial Report for the year ended 30 June 2023 and the Interim Report for the half year ended 31 December 2023 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 2023 to 31 December 2023.

Previous corresponding period: Half-year from 1 July 2022 to 31 December 2022.

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 2023	Dec 2022	\$ Change	% Change
Revenue and other income	4,174,080	3,036,940	1,137,140	37%
EBITDA	(1,680,283)	(836,332)	(843,951)	101%
Loss before tax	(1,951,023)	(1,247,646)	(703,377)	56%
Loss after tax	(1,951,023)	(1,247,646)	(703,377)	56%

NTA backing	Dec 2023	Dec 2022
Net tangible asset backing per ordinary share	0.9 cents	1.9 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 2023.

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: 29 February 2024

Approve by

Board of Directors



8COMMON LIMITED AND ITS CONTROLLED ENTITIES

ACN 168 232 577

INTERIM HALF YEARLY FINANCIAL REPORT

FOR THE PERIOD ENDED

31 DECEMBER 2023

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Directors' Report

Your directors present their report on the Company 8common Limited and its controlled entities for the half-year ended 31 December 2023.

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 170,000 platform users and over \$1B in annualised transactions managed including enterprise customers Woolworths, Broadcast Australia, Amcor, and over 165 state and federal government entities.

More details of our 2 core offerings 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 34,000 NT Government employees, 71,000 employees within NSW Government and over 40,000 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

Total revenue for 1HFY24 of \$4,174,080 up 37% on 1HFY23 driven by an increased level of implementation and SaaS revenue as the Company continues to secure a new contracts with a range of end customers including the Australian Federal Government.

Record transaction and recurring SaaS revenue of \$2,156,596, up 19% on 1HFY23, driven by higher ARPU and a lift in user numbers.

ARPU for 1HFY24 was \$25.26, up vs 1HFY23 reflecting an increase in products per users and growing Federal Government exposure.

Within the broader ARPU figure, Federal Government ARPU averaged \$48.24 for the period. With a growing number of Federal Government agencies and users to be onboarded, ARPU is expected to continue to increase driving an uplift in revenue and cashflow.

The group incurred an operating loss of \$1,951,023 and an EBITDA loss for the period of \$1,680,283.

Net cash out flow from operations of \$1,001,682 is due to timing discrepancies associated with implementation costs of onboarding FedGov entities and the receipt payments of work milestones and the investment the Company made in achieving the Federal Government “Protected” infrastructure status. Cash flow is anticipated to improve in future periods as milestone payments are received for implementation costs incurred.

SUMMARY FINANCIAL RESULTS	PERIOD TO 31 DECEMBER			
	2023	2022	CHANGE	
	\$	\$	\$	%
Revenue from SaaS (subscription and transaction)	2,156,596	1,806,742	349,854	19%
Other revenue from continuing operations	2,017,484	1,230,198	787,286	64%
Total Revenue	4,174,080	3,036,940	1,137,140	37%
Total Expenses (inc Cost of services)	(6,125,103)	(4,284,586)	(1,840,517)	43%
EBITDA	(1,680,283)	(836,332)	(843,951)	(101%)
Loss for the period	(1,951,023)	(1,247,646)	(703,377)	(56%)
Operating cash outflow	(1,001,682)	(868,949)	(132,733)	(15%)
Cash Receipts	4,444,850	2,753,754	1,691,096	61%
Cash and cash equivalents	848,255	1,888,362	(1,040,107)	(55%)

2. Segment Performance

Expense8

Key KPI highlights for 31 December 2023

KPI	2023	2022	Change
Total Revenue	4,174,080	3,036,940	37%
SaaS Revenue	2,156,596	1,806,742	19%
Users	171,358	175,461	(2%)

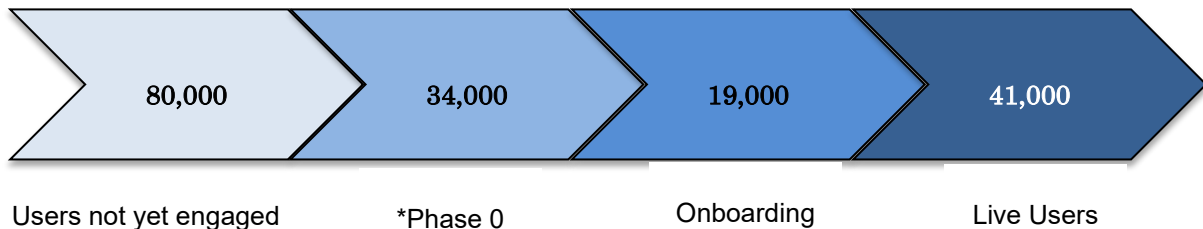
Card Transactions	2,089,461	1,864,335	22%
Trips	23,459	23,459	240%

During the period the Company continued to onboard entities within Federal Government. Strong customer demand has resulted in elevated on-boarding activity with concurrent implementation projects being executed for:

- The Fair Work Commission and The Office of the Commonwealth Ombudsman both signed contracts to onboard to the Government version of the Expense8 platform with the Murray Darling Bason Authority signing a contract post quarter end.
- ASIC, the Department of Veterans' Affairs and IP Australia have all gone live with Expense8 adding approximately 8k users.
- 8CO has received a significant increase in inbound enquiries for Expense8 in recent days post the shift in the ERP policy of the Australian Government (refer ASX release 29 November)

Federal Government onboarding pipeline

As at 31 December 2023 there are approximately 174k Total Potential Users in Federal Government



* Phase 0 Discovery workshops are a key pre onboarding phase for Federal Government agencies on their path to adopting the Federal Government template and as such can be viewed as a precursor to future user additions. Over 34k users in Federal Government have commenced or completed Phase 0 Discovery workshops.

Source: https://budget.gov.au/content/bp4/download/bp4_10_staffing_of_agencies.pdf

Over 100 Commonwealth agencies (which include over 130K employees) participate in the Shared Services Program and could utilise Expense8. With another 90 Commonwealth agencies having an option to opt-in to the Program. 8CO generates a Federal Government ARPU of \$48 servicing approximately 41,000 employees across 35 entities;

The Company has generated over \$11.0m inc GST in total value of signed implementation and development contracts to date under the GovERP Deed as at 31 December 2023.

CardHero

Cornerstone CardHero customer, Life Without Barriers, has signed a one-year extension with an estimated value of c\$300k. CardHero signed its third customer, Interactive Community Care, during the period who will deploy CardHero cards within the youth care sector.

3. Expenses and EBITDA

The Group's EBITDA was a loss of \$1,680,283 in the half year ended 31 December 2023. This compares to an EBITDA loss of \$836,332 in the pc. The key drivers to the 31 December 2023 result were:

- 37% increase in Total Revenue on a pc basis to \$4,174,080;
- 19% increase in SaaS revenue on a pc basis to \$2,156,596;
- 43% increase in Total Expenses on a pc basis to \$6,125,103;

4. Funding and Cash-flow

The Company recorded \$1,001,682 in operating cash outflows for the six months ended 31 December 2023 driven by;

- accelerated product delivery initiatives to deliver upgraded card application and Gov Protect modules along with a strategic investment to enhance our API capabilities and further uplift infrastructure to prepare for Federal Government “Protected” status.
- timing mismatches between project implementation costs (includes significant third party contractors) being paid faster than the cash receipts linked to client billing milestones

As at 31 December 2023, the Group has cash and cash equivalents of \$0.8 million. The cash position is supported by a \$1.5m financing facility from the Executive Chairman which ensures the Company remains adequately funded. As at 31 December 2023, the Company has not drawn down on the facility. If the loan is drawn down, it will be applied towards working capital purposes. The Company does not intend to draw down the loan however recognised this option is available if required. The Company anticipates a significantly improved performance in cash-flow in 2H FY2024 as given the increase in users from recent contract wins.

5. Outlook

The Company continues to expand its presence amongst government, not for profit and large enterprises. As more Federal Government and large enterprise entities progress to the on-boarding phase of Expense8, we anticipate user numbers to continue to grow in coming quarters. With a growing proportion of users on our platforms from within Federal government is anticipated to grow our ARPU over FY24 and beyond, delivering material revenue growth for the Company and driving the business towards sustainable positive cashflow.

Significant Events since Balance Sheet Date

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 9.

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



Kah Wui Lim

Managing Director

Dated this 29th of February 2024, Malaysia

29 February 2024

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

**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 2023 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



Edward Chow
Partner

Dated this 29th day of February 2024
Sydney

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 view of a city street with buildings and a red brick building. 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 2023

	31 December 2023 \$	31 December 2022 \$
Revenue from continuing operations	4,132,004	2,934,584
Cost of services	(2,500,694)	(841,491)
Gross Profit	1,631,310	2,093,093
Other revenue	42,076	102,355
EXPENSES FROM CONTINUING OPERATIONS		
Professional fees	(89,545)	(49,905)
Computer software and maintenance	(521,603)	(284,926)
Depreciation and amortisation	(275,458)	(416,660)
Employee and contractor costs	(2,351,291)	(2,268,094)
Marketing expenses	(35,175)	(40,000)
Occupancy expenses	(39,120)	(31,398)
Interest expense	(20,038)	-
Share based payments expense	10 -	(95,573)
Other expenses from ordinary activities	(292,179)	(256,538)
Total Expenses	(3,624,409)	(3,443,094)
NET LOSS BEFORE INCOME TAX	(1,951,023)	(1,247,646)
Income tax benefit	-	-
NET LOSS FOR THE PERIOD	(1,951,023)	(1,247,646)
Other comprehensive income/(loss) – Revaluation gain/(loss) on financial assets at fair value through other comprehensive income	(48,049)	(49,354)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(1,999,072)	(1,297,000)
Earnings per share		
Basic earnings per share – cents per share	(0.89)	(0.56)
Diluted earnings per share – cents per share	(0.89)	(0.56)

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 2023

	Note	31 December 2023 \$	30 June 2023 \$
Current assets			
Cash and cash equivalents		848,255	1,809,403
Trade and other receivables		827,761	809,186
Other assets		161,191	134,761
Total current assets		1,837,207	2,753,350
Non current assets			
Financial Assets	5	101,409	290,750
Property, plant and equipment		80,242	99,166
Intangible assets	6	2,441,350	2,594,569
Total non-current assets		2,623,001	2,984,485
Total assets		4,460,208	5,737,835
Current liabilities			
Trade and other payables		2,716,155	1,919,515
Contract liabilities		246,229	380,767
Provisions		334,133	259,842
Total current liabilities		3,296,517	2,560,124
Non current liabilities			
Provisions		113,761	128,709
Total non current liabilities		113,761	128,709
Total liabilities		3,410,278	2,688,833
Net assets		1,049,930	3,049,002
Equity			
Contributed equity	7	16,946,815	16,946,815
Accumulated losses		(16,239,365)	(13,027,577)
Asset revaluation reserve		(987,907)	(2,200,623)
Share based payments reserve	10	1,330,387	1,330,387
Total shareholders' equity		1,049,930	3,049,002

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 2023

Consolidated Entity	Contributed equity	Accumulated Losses	Asset Revaluation Reserve	Share based payment reserve	Total
	\$	\$	\$	\$	\$
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
Balance as at 1 July 2023	16,946,815	(13,027,577)	(2,200,623)	1,330,387	3,049,002
Loss for the period	-	(1,951,023)	-	-	(1,951,023)
Other comprehensive income	-	-	(48,049)	-	(48,049)
Total comprehensive income / (loss)	-	(1,951,023)	(48,049)	-	(1,999,072)
Derecognition of financial assets	-	(1,260,765)	1,260,765	-	-
Balance as at 31 December 2023	16,946,815	(16,239,365)	(987,907)	1,330,387	1,049,930

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 2023

	31 December 2023 \$	31 December 2022 \$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operating activities	4,444,850	2,753,755
Interest received	24,155	5,849
Payments to suppliers and employees	(5,470,687)	(3,628,553)
Net cash (used in) operating activities	(1,001,682)	(868,949)
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Software development costs	(103,315)	(453,146)
Disposal of financial assets	143,849	-
Purchase of fixed assets	-	(42,483)
Net cash (used in) investing activities	40,534	(495,629)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares via placement	-	-
Conversion of options	-	-
Costs related to issue of shares	-	-
Net cash provided by financing activities	-	-
NET (DECREASE)/INCREASE IN CASH HELD	(961,148)	(1,364,578)
Cash and cash equivalent at beginning of financial period	1,809,403	3,252,940
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	848,255	1,888,362

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 2023

Note 1—Basis of Preparation of Half-Year Report

These general purpose financial statements for the half-year reporting period ended 31 December 2023 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 2023, 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 29th February 2024.

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 2023.

Notes to the Financial Statements

for the Half Year ended 31 December 2023

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 2023 of \$1,951,023 (31 December 2022: loss of \$1,247,646) with the cash outflows from operating activities of \$1,001,682 (31 December 2022: cash outflow of \$868,949). As at 31 December 2023, the Group has a net current deficit position of \$1,459,310 (30 June 2023: \$193,226 net current asset position). The net current asset position as at 31 December 2023 includes the following:

- Cash and cash equivalents of \$848,255 (30 June 2023: \$1,809,403) and trade and other receivables of \$827,760 (30 June 2023: \$809,186).
- Deferred contract liability of \$246,229 (30 June 2023: \$380,767)

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;
- 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 cash position is supported by a \$1.5m financing facility from the Executive Chairman which ensures the Company remains adequately funded. As at 31 December 2023, the Company has not drawn down on the facility. If the loan is drawn down, it will be applied towards working capital purposes. The Company does not intend to draw down the loan however recognised this option is available if required;
- 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 2023

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—Financial measurement

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 2023 \$	31 December 2022 \$
Total EBITDA	(1,680,283)	(836,332)
Tax (expense)/benefit	-	-
Interest expense	(20,038)	(502)
Interest received	24,756	5,848
Depreciation and Amortisation	(275,458)	(416,660)
Net Loss after tax	(1,951,023)	(1,247,646)

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 \$101,409 based on the market price on the Bursa Stock Exchange as at 31 December 2023.

	31 December 2023 \$	30 June 2023 \$
Financial assets at fair value through other comprehensive income	101,409	290,750
	<u>101,409</u>	<u>290,750</u>

Notes to the Financial Statements for the Half Year ended 31 December 2023

Note 6: Intangible Assets

	Acquired Intellectual property \$	Software Development Costs – Expense8 \$	Software Development Costs – CardHero \$	Total \$
Consolidated Group:				
Carrying value at 1 July 2023	14,800	693,388	1,886,381	2,594,569
Addition	-	103,314	-	103,314
Amortisation charge	-	(344)	(256,189)	(256,533)
Period ended 31 December 2023	14,800	796,358	1,630,192	2,441,350

Intangible assets, other than intellectual property, have finite useful lives and are carried at costs less any accumulated amortisation and impairment losses. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of profit or loss. Once ready for use, the Group amortises Software Development costs over their useful lives which is estimated to be over a period of 5 years. Acquired intellectual property (PayHero) is not being amortised as its useful life is indefinite. The Expense8 software developments costs amounting to \$796,358 are being amortised over their useful lives which is estimated to be over a period of 5 years.

Note 7 — Contributed Equity

(a) Share Capital

	Note	As at 31 December 2023 \$	As at 30 June 2023 \$
Ordinary Shares 224,094,903 (30 June 2023: 224,094,903)			
Fully paid shares		16,946,815	16,946,815

Date and Price	No.	\$
Opening Balance 1 July 2023	224,094,903	16,946,815
Shares issued	-	-
Total issued	-	-
Closing balance 31 December 2023	224,094,903	16,946,815

Notes to the Financial Statements for the Half Year ended 31 December 2023

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 2023. 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 2023 and 30 June 2023:

	31 December 2023		30 June 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Consolidated Group:				
Financial assets at fair value through other comprehensive income	101,409	101,409	290,750	290,750
Total	101,409	101,409	290,750	290,750

Notes to the Financial Statements for the Half Year ended 31 December 2023

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 2023:

	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 2023:

Financial assets measured at fair value:

Financial assets at fair value through other comprehensive income	101,409	101,409	-	-
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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 2023:

Financial assets measured at fair value:

Financial assets at fair value through other comprehensive income	290,750	290,750	-	-
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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 2023.

Notes to the Financial Statements for the Half Year ended 31 December 2023

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

No shares were issued to Directors or staff during the six months ended 31 December 2023, pursuant to the employees share options plan. As at 31 December 2023 the following options were on issue:

	Number	Weighted Average exercise price \$
Balance as at beginning of the year	20,014,594	0.13
Options lapsed	(2,774,594)	-
Balance as at 31 December 2023	17,240,000	0.13

Note 11 – Events Occurring after the Balance Sheet Date

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 Nic 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 \$369,268 (2022: \$305,930)

During the year, Mr Nic Lim paid operating expenses on behalf of the group amounting to \$435,835 (2022: nil). As at 31 December 2023, this balance was due and payable to Mr Nic Lim. The full balance payable is unsecured and interest free and is included in Trade and Other payables.

Directors' Declaration

In the directors' opinion:

- (a) The financial statements and notes set out on pages 9 to 20 comply with the Corporations Act 2001 and 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 2023 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 29th day of February 2024

Independent Auditor's Review Report to the Members of 8common Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of 8common Limited (the Company) and its Controlled Entities (the Group) which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to 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 2023 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.

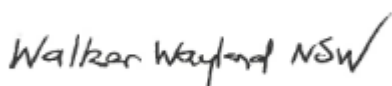
Directors' Responsibility for the Half-Year Financial Report

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 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

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

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

Walker Wayland NSW
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Ed Chow'.

Ed Chow
Partner

Dated this 29th day of February 2024, Sydney