ONEMARKET™

21 November 2018

The Manager
Company Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

ONEMARKET LIMITED (ASX:OMN)
INTERIM RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2018

Attached are the Appendix 4D and the Interim Financial Report for the period ended 30 September 2018 for OneMarket Limited.

Yours faithfully
ONEMARKET LIMITED

Simon Tuxen
Company Secretary

OneMarket Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	OneMarket Limited
ABN:	28 623 247 549
Reporting period:	For the period from 1 January 2018 to 30 September 2018
Previous period:	For the period from 1 January 2017 to 30 September 2017

2. Results for announcement to the market

The results for the period ended 30 September 2018 comprise the earnings of OneMarket Limited which includes OneMarket Network LLC from 1 January 2018 and the OneMarket UK business from 31 May 2018. The results for the comparative period ended 30 September 2017 represent the results of OneMarket Network LLC including controlled entities (relating to Westfield Corporation) which are no longer part of OneMarket Network LLC.

				US$'000
Revenues from ordinary activities	down	98.0%	to	9,102
Loss from ordinary activities after tax attributable to the owners of OneMarket Limited	up	218.9%	to	(53,028)
Loss for the period attributable to the owners of OneMarket Limited	up	218.9%	to	(53,028)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the Group after providing for income tax and non-controlling interest amounted to US$53,028,000 (30 September 2017: US$16,628,000).

The Group is in the early stages of building a network of shared technology and products that allow retailers, venues and technology companies to engage with consumers and enable better ways to shop.

The Group is prioritising investment in products that it believes address fundamental retailer needs and have growth and revenue potential – Hadley and Shopper Exchange.

Hadley is a unique consumer engagement platform that allows retailers to engage in two-way conversations with consumers and offer seamless commerce experiences through a centralised consumer account accessible across multiple channels.

Shopper Exchange is a digital advertising platform focused on co-marketing that gives brands access to deterministic shopper data from retailers and allows them to target the highest-potential audiences with closed-loop attribution.

The Group had net assets on a consolidated basis (and prior to deducting non-controlling interests) of US$148,535,000 as at 30 September 2018. The Group has sufficient cash resources to meet anticipated cash needs without additional financing until at least late-2020.

3. Net tangible assets

	As at 30 September 2018 Reporting period Cents	As at 31 December 2017 Previous period Cents
Net tangible assets per ordinary share	142.92	(22.32)

The net tangible assets per ordinary share is calculated on a consolidated basis (and prior to deducting-controlling interests).

The net tangible assets per ordinary share is calculated based on 103,929,134 ordinary shares on issue as at 30 September 2018 and 20,710,341 ordinary shares that would have been in existence had the corporate/group reorganisation occurred as at 31 December 2017.

4. Control gained over entities

On 1 January 2018 OneMarket Limited acquired OneMarket Network LLC and its controlled entities ('US OneMarket business'). For accounting purposes the acquisition represents a group reorganisation and has been treated as a continuation of the US OneMarket business. Refer to note 2 of the attached Interim Report for further details.

On 31 May 2018 OneMarket Limited acquired OneMarket UK Holdings Limited and its controlled entities. For accounting purposes the acquisition has been treated as a common control transaction. Refer to note 2 of the attached Interim Report for further details.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

8. Attachments

Details of attachments (if any):

The Interim Report of OneMarket Limited for the period ended 30 September 2018 is attached.

9. Signed

Signed ____________________ Date: 21 November 2018

Steven Mark Lowy AM
Chairman
Sydney

ONEMARKET

OneMarket Limited

ABN 28 623 247 549

Interim Report - 30 September 2018

ONEMARKET

The directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'Group') consisting of OneMarket Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the nine month period ended 30 September 2018.

Directors

The following persons were directors of OneMarket Limited during the period from 1 January 2018 up to the date of this report:

Steven Mark Lowy AM - Non-Executive Chairman
Donald De-Wayne Kingsborough - Executive Director and Chief Executive Officer (appointed on 23 May 2018)
Ilana Rachel Atlas - Non-Executive Director (appointed on 23 May 2018)
Mark R Johnson AO - Non-Executive Director (appointed on 23 May 2018)
Brian James Long - Non-Executive Director (appointed on 7 June 2018)
Elliott Rusanow - Non-Executive Director (resigned on 23 May 2018)
Michael Gutman OBE - Non-Executive Director (resigned on 23 May 2018)

Principal activities

During the interim financial period the principal continuing activities of the Group consisted of building a network of shared technology and products that allow retailers, venues and technology companies to engage with consumers and enable better ways to shop.

The network allows retail partners to collaborate to overcome technology and speed-to-market challenges and implement new technologies at scale, like natural language processing and machine learning. The collective goal of the network is to create better experiences for all of retail by transforming a fragmented industry into an integrated one.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Review of operations

The loss for the Group after providing for income tax and non-controlling interest amounted to US$53,028,000 (30 September 2017: US$16,628,000).

The Group is in the early stages of building a network of shared technology and products that allow retailers, venues and technology companies to engage with consumers and enable better ways to shop.

The Group is prioritising investment in products that it believes address fundamental retailer needs and have growth and revenue potential – Hadley and Shopper Exchange.

Hadley is a unique consumer engagement platform that allows retailers to engage in two-way conversations with consumers and offer seamless commerce experiences through a centralised consumer account accessible across multiple channels.

Shopper Exchange is a digital advertising platform focused on co-marketing that gives brands access to deterministic shopper data from retailers and allows them to target the highest-potential audiences with closed-loop attribution.

The Group had net assets on a consolidated basis (and prior to deducting non-controlling interests) of US$148,535,000 as at 30 September 2018. The Group has sufficient cash resources to meet anticipated cash needs without additional financing until at least late-2020.

Significant changes in the state of affairs

On 5 December 2017 OneMarket Limited was incorporated in Australia.

On 1 January 2018, OneMarket Network LLC and its controlled entities ('US OneMarket business') were acquired by One Market Holdings, Inc. (a subsidiary of OneMarket Limited) from Westfield Corporation. The acquisition of OneMarket Network LLC did not represent a business combination in accordance with AASB 3 'Business Combinations'. On the basis that the transaction is a form of group reorganisation it was considered that the Group was a continuation of the US OneMarket business. Accordingly the interim financial report reflects the comparative information of the US OneMarket business.

On 31 May 2018 One Market Holdings, Inc acquired One Market UK Holdings Limited and its controlled entities ('UK OneMarket business'). This acquisition has been identified as a common control transaction as Westfield Corporation controlled both businesses at the time of this acquisition. Management has elected to apply the pooling of interest method of accounting with no goodwill recognised on this transaction. Instead the UK OneMarket business was acquired at its carrying value and the difference between the carrying value and consideration paid was recognised in equity, in a common control reserve.

On 7 June 2018, Westfield Corporation distributed OneMarket Limited to its shareholders, with Westfield Corporation shareholders receiving one share of OneMarket Limited for every 20 shares of Westfield Corporation they held. Westfield Corporation retained a 10% equity interest in OneMarket Holdings, Inc.

The Group has obtained relief under subsection 340(1) of the Corporations Act 2001 (Cth) permitting the Group to have a first interim reporting period from 1 January 2018 to 30 September 2018. During the period between 5 December 2017 and 1 January 2018, the Company was a shell company. The creation of financial statements and comparatives on the basis of a first financial year and first financial half year commencing on 5 December 2017 would involve a significant amount of additional work and expense for the Group compared to a first financial year and first financial half year commencing on 1 January 2018.

The Company sought relief on the basis that the costs and time involved with compliance with the financial reporting requirements on the basis of a first financial year and half year commencing on 5 December 2017 would be unreasonably burdensome and inappropriate in the circumstances.

The effect of the ASIC order is that for financial reporting purposes, the first financial year and first financial half year of the Group will be treated as having commenced on 1 January 2018 rather than 5 December 2017 and the first financial year and first financial half year of the Group will be treated as ending on 31 March 2019 and 30 September 2018 respectively.

A more detailed discussion of the above is set out in the Company's announcement dated 28 September 2018.

Refer to note 2 to the financial statements, 'Significant accounting policies' , for further details on the accounting treatment of the de-merger and Group reorganisation.

On 31 May 2018, OneMarket Limited was admitted to the Official List of the Australian Securities Exchange ('ASX').

There were no other significant changes in the state of affairs of the Group during the financial period.

Matters subsequent to the end of the financial period

On 20 November 2019 OneMarket Limited announced that Mr. Don Kingsborough, OneMarket Chief Executive Officer ('CEO'), has advised the board that he will step down from the CEO role for health reasons with effect from a date to be agreed in the first quarter of 2019. In the period prior to his departure, Mr. Kingsborough will remain as CEO but is expected to take leaves of absence as required to in order to receive treatment for his health condition. Mr. Kingsborough will continue to work closely with the Chairman of the Board and the senior management team. It is expected the Mr. Kingsborough will remain on the Board of OneMarket Limited after stepping down as CEO.

No other matter or circumstance has arisen since 30 September 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

ONEMARKET

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Steven Mark Lowy AM
Chairman

21 November 2018
Sydney

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of OneMarket Limited

As lead auditor for the review of OneMarket Limited for the period ended 30 September 2018, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

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

This declaration is in respect of OneMarket Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Douglas Bain
Partner
21 November 2018

OneMarket Limited
Statement of profit or loss and other comprehensive income
For the period ended 30 September 2018

ONEMARKET

The results for the period ended 30 September 2018 comprise the earnings of OneMarket Limited which includes OneMarket Network LLC from 1 January 2018 and the OneMarket UK business from 31 May 2018. The results for the comparative period ended 30 September 2017 represent the results of OneMarket Network LLC including controlled entities (relating to Westfield Corporation) which are no longer part of OneMarket Network LLC.

	Note	Consolidated 9 Months ended 30 Sep 2018 US$'000	Consolidated 9 Months ended 30 Sep 2017 US$'000
Revenue from contracts with customers from continuing operations	4	9,102	18,312
Other income		2,744	-
Interest revenue		1,754	-
Expenses			
Employee benefits expense		(37,635)	(42,910)
Communication and technology expenses		(4,075)	(6,349)
Contract labour and consultancy expenses		(12,236)	(17,688)
Direct costs and consumables used		(2,417)	(588)
Occupancy expenses		(2,641)	(1,345)
Travel expenses		(1,237)	(1,994)
Other expenses		(2,803)	(1,264)
Depreciation and amortisation expense		(1,291)	(1,395)
Transaction expenses		(3,735)	(2,790)
Corporate overheads		(533)	(8,127)
Finance costs		(1)	(5,272)
Loss before income tax expense from continuing operations		(55,004)	(71,410)
Income tax expense		(33)	(4)
Loss after income tax expense from continuing operations		(55,037)	(71,414)
Profit after income tax expense from discontinued operations	5	-	54,786
Loss after income tax expense for the period		(55,037)	(16,628)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		30	-
Other comprehensive income for the period, net of tax		30	-
Total comprehensive income for the period		(55,007)	(16,628)
Loss for the period is attributable to:			
Non-controlling interest		(2,009)	-
Owners of OneMarket Limited		(53,028)	(16,628)
		(55,037)	(16,628)
Total comprehensive income for the period is attributable to:			
Non-controlling interest		(2,009)	-
Owners of OneMarket Limited		(52,998)	(16,628)
		(55,007)	(16,628)

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

OneMarket Limited
Statement of profit or loss and other comprehensive income
For the period ended 30 September 2018

	Note	Consolidated	
		9 Months ended 30 Sep 2018 US$'000	**9 Months ended 30 Sep 2017 US$'000**
		Cents	**Cents**
Earnings per share for loss from continuing operations attributable to the owners of OneMarket Limited			
Basic earnings per share	18	(55.51)	(344.82)
Diluted earnings per share	18	(55.51)	(344.82)
Earnings per share for loss attributable to the owners of OneMarket Limited			
Basic earnings per share	18	(53.93)	(81.54)
Diluted earnings per share	18	(53.93)	(81.54)

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

OneMarket Limited
Statement of financial position
As at 30 September 2018

ONEMARKET

	Note	Consolidated 30 Sep 2018 US$'000	Consolidated 31 Dec 2017 US$'000
Assets			
Current assets			
Cash and cash equivalents		102,072	11,343
Trade and other receivables	6	3,969	4,916
Term deposits	7	50,705	-
Prepayments		2,527	1,921
Total current assets		159,273	18,180
Non-current assets			
Plant and equipment		2,179	3,363
Total non-current assets		2,179	3,363
Total assets		161,452	21,543
Liabilities			
Current liabilities			
Trade and other payables	8	6,426	13,027
Contract liabilities		637	-
Employee benefits		5,119	7,655
Straight line and deferred rent payable		60	-
Contingent and deferred consideration	9	500	1,315
Total current liabilities		12,742	21,997
Non-current liabilities			
Contingent and deferred consideration	10	175	4,170
Total non-current liabilities		175	4,170
Total liabilities		12,917	26,167
Net assets/(liabilities)		148,535	(4,624)
Equity			
Issued capital	11	187,166	186,541
Reserves	12	288,573	65,896
Accumulated losses		(310,089)	(257,061)
Equity/(deficiency) attributable to the owners of OneMarket Limited		165,650	(4,624)
Non-controlling interest		(17,115)	-
Total equity/(deficiency)		148,535	(4,624)

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

OneMarket Limited
Statement of changes in equity
For the period ended 30 September 2018

Consolidated	Issued capital US$'000	Reserves US$'000	Accumulated losses US$'000	Non-controlling interest US$'000	Total deficiency in equity US$'000
Balance at 1 January 2017	33,259	-	(41,779)	-	(8,520)
Loss after income tax expense for the period	-	-	(16,628)	-	(16,628)
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	(16,628)	-	(16,628)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	59,600	-	-	-	59,600
Disposal of subsidiary to controlling entity	-	65,896	(137,662)	-	(71,766)
Balance at 30 September 2017	92,859	65,896	(196,069)	-	(37,314)

Consolidated	Issued capital US$'000	Reserves US$'000	Accumulated losses US$'000	Non-controlling interest US$'000	Total equity US$'000
Balance at 1 January 2018	186,541	65,896	(257,061)	-	(4,624)
Loss after income tax expense for the period	-	-	(53,028)	(2,009)	(55,037)
Other comprehensive income for the period, net of tax	-	30	-	-	30
Total comprehensive income for the period	-	30	(53,028)	(2,009)	(55,007)
Transactions with owners in their capacity as owners:					
Distributions of equity	(1,691)	-	-	-	(1,691)
Part disposal of subsidiary to non-controlling interests	-	41,476	-	(15,106)	26,370
Contribution from Westfield Corporation	-	5,799	-	-	5,799
Group reorganisation - acquisition of OneMarket Network LLC	(17,209)	186,572	-	-	169,363
Acquisition of commonly controlled entity - OneMarket UK Holdings Limited (note 17)	19,525	(13,226)	-	-	6,299
Share-based payments	-	2,026	-	-	2,026
Balance at 30 September 2018	187,166	288,573	(310,089)	(17,115)	148,535

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

OneMarket Limited
Statement of cash flows
For the period ended 30 September 2018

ONEMARKET

The results for the period ended 30 September 2018 comprise the earnings of OneMarket Limited which includes OneMarket Network LLC from 1 January 2018 and the OneMarket UK business from 31 May 2018. The results for the comparative period ended 30 September 2017 represent the results of OneMarket Network LLC including controlled entities (relating to Westfield Corporation) which are no longer part of OneMarket Network LLC.

	Consolidated	
	9 Months ended 30 Sep 2018 US$'000	9 Months ended 30 Sep 2017 US$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	10,534	434,807
Platform contribution transaction receipts (inclusive of GST)	23,383	-
Payments to suppliers and employees (inclusive of GST)	(82,126)	(460,828)
	(48,209)	(26,021)
Interest received	1,049	-
Interest and other finance costs paid	-	(9,718)
Income taxes paid	(33)	(64)
Net cash used in operating activities	(47,193)	(35,803)
Cash flows from investing activities		
Net of cash acquired on acquisition of OneMarket UK Holdings Limited	6,952	-
Payment for purchase of subsidiary, net of cash acquired	-	(40,540)
Payment for purchase of businesses, net of cash acquired	-	(3,862)
Payment of contingent consideration	(250)	-
Payments for term deposits	(50,000)	-
Payments for convertible notes	(17,861)	-
Payments for property, plant and equipment	(256)	(434)
Proceeds from disposal of unlisted securities	6,012	-
Proceeds from disposal of property, plant and equipment	189	-
Net cash disposed of on disposal of subsidiary	-	(6,507)
Net cash used in investing activities	(55,214)	(51,343)
Cash flows from financing activities		
Proceeds from issue of shares, net of distributions	-	59,600
Proceeds of disposal of non-controlling interest	19,668	-
Proceeds from Group reorganisation	175,129	-
Proceeds from borrowings	-	15,000
Distribution of equity	(1,691)	-
Net cash from financing activities	193,106	74,600
Net increase/(decrease) in cash and cash equivalents	90,699	(12,546)
Cash and cash equivalents at the beginning of the financial period	11,343	14,343
Effects of exchange rate changes on cash and cash equivalents	30	-
Cash and cash equivalents at the end of the financial period	102,072	1,797

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

Note 1. General information

On 5 December 2017, OneMarket Limited was incorporated in Australia.

OneMarket Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 12, 225 George Street
Sydney
NSW 2000
Australia

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 21 November 2018.

Note 2. Significant accounting policies

These general purpose financial statements for the interim reporting period ended 30 September 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

On 28 September 2018, the Australian Securities and Investments Commission ('ASIC') made an order pursuant to subsection 340(1) of the Corporations Act 2001. The effect of the ASIC order is that for financial reporting purposes, the first financial year and first financial interim period of the Group will be treated as having commenced on 1 January 2018 rather than the date of incorporation of OneMarket Limited, being 5 December 2017 and concluded on 30 September 2018 for the interim period and 31 March 2019 for the financial year.

As a result of the Group reorganisation which occurred on 1 January 2018, the financial statements are a continuation of the existing US businesses. Comparatives, representing the existing US businesses, are presented in the financial statements. The comparative statement of profit or loss and other comprehensive income covers the period from 1 January 2017 to 30 September 2017 and the comparative statement of financial position is at 31 December 2017. Refer to note 2 for further details.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except as specifically disclosed.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Significant accounting policies (continued)

The following new Accounting Standards and Interpretations are most relevant to the Group:

AASB 9 Financial Instruments
The Group has adopted AASB 9 from 1 January 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring ECL using a lifetime expected loss allowance is available. The adoption of AASB 9 did not have any significant impact on the financial performance or position of the Group.

AASB 15 Revenue from Contracts with Customers
The Group has adopted AASB 15 from 1 January 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period. The adoption of AASB 15 did not have any significant impact on the financial performance or position of the Group.

Acquisition of US OneMarket business
On 1 January 2018, OneMarket Network LLC and its controlled entities ('US OneMarket business') was acquired by One Market Holdings, Inc (a subsidiary of OneMarket Limited) from Westfield Corporation. The acquisition of OneMarket Network LLC did not represent a business combination in accordance with AASB 3 'Business Combinations'. On the basis that the transaction is a form of group reorganisation it was considered that the Group was a continuation of the US OneMarket business. Accordingly the financial statements are a continuation of the US OneMarket business and as such:

- the assets and liabilities recognised and measured are at carrying amounts of the existing US OneMarket business rather than at fair value;
- the accumulated losses and other equity balances recognised are the existing accumulated losses and other equity balances of the existing US OneMarket business;
- no 'new' goodwill has been recognised as a result of the combination; and
- the comparatives presented are those of the existing US OneMarket business.

Note 2. Significant accounting policies (continued)

Acquisition of UK OneMarket business
On 31 May 2018, One Market Holdings, Inc acquired OneMarket UK Holdings Limited and its controlled entities ('UK OneMarket business'). This acquisition has been identified as a common control transaction as Westfield Corporation controlled both businesses at the time of this acquisition. Management has elected to apply the pooling of interest method and as such:

- the assets and liabilities acquired are measured at the carrying amounts of the existing UK OneMarket business rather than at fair value;
- no 'new' goodwill has been recognised as a result of the combination; and
- the difference between the carrying value of the acquired assets and liabilities and the consideration paid is recorded in equity as a common control reserve.

On 7 June 2018, Westfield Corporation distributed OneMarket Limited to its shareholders, with Westfield Corporation shareholders receiving one share of OneMarket Limited for every 20 shares of Westfield Corporation they held. Westfield Corporation retained a 10% equity interest in OneMarket Holdings, Inc. in exchange for a contribution of $26,370,000 in cash and unlisted securities.

These interim financial statements therefore represent the results and position as follows:

- for the period ended 30 September 2018 present the financial results for the OneMarket Limited, OneMarket Holdings, Inc, and OneMarket Network LLC and its controlled entities for the period from 1 January 2018 to 30 September 2018 and the financial results of OneMarket UK Holdings Limited and its controlled entities for the period from 1 June 2018 to 30 September 2018;
- the comparative results represent the results of OneMarket Network LLC and its controlled entities for the period from 1 January 2017 to 30 September 2017; and
- the comparatives presented in the statement of financial position represent the financial position of OneMarket Network LLC and its controlled entities as at 31 December 2017. The comparative statement of financial position represents the opening statement of financial position for the current financial period.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of OneMarket Limited ('Company' or 'parent entity') as at 30 September 2018 and the results of all subsidiaries for the period then ended. OneMarket Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Other than the acquisitions of OneMarket Network LLC and OneMarket UK Holdings Limited as described above, the acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 2. Significant accounting policies (continued)

Foreign currency translation
The financial statements are presented in US dollars, which is the Group's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into US dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into US dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into US dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Identification of reportable operating segments
The Group is organised into one operating segment. This is based on the internal reports that are reviewed and used by the Board of Directors and the Chief Executive Officer (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Rendering of services
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

ONEMARKET

Note 2. Significant accounting policies (continued)

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Discontinued operations
A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 2. Significant accounting policies (continued)

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets
Investments
Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the Group has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	1-7 years
Furniture, fixtures and equipment	3-5 years
Computer equipment	3 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Operating leases
Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Note 2. Significant accounting policies (continued)

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier), before the Group has transferred the goods or services to the customer. The liability is the Group's obligation to transfer goods or services to a customer from which it has received consideration.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with vesting conditions related to the occurrence of a liquidity event such as a change in the control of OneMarket Holding Inc.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

Note 2. Significant accounting policies (continued)

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

Except for those acquisitions that are common control transactions, the acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Note 2. Significant accounting policies (continued)

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of OneMarket Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the reporting period ended 30 September 2018. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group are set out below.

Note 2. Significant accounting policies (continued)

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group will adopt this standard from 1 April 2019 but the impact of its adoption is yet to be assessed by the Group.

IASB revised Conceptual Framework for Financial Reporting
The revised Conceptual Framework has been issued by the International Accounting Standards Board ('IASB'), but the Australian equivalent has yet to be published. The revised framework is applicable for annual reporting periods beginning on or after 1 January 2020 and the application of the new definition and recognition criteria may result in future amendments to several accounting standards. Furthermore, entities who rely on the conceptual framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under Australian Accounting Standards may need to revisit such policies. The Group will apply the revised conceptual framework from 1 April 2020 and is yet to assess its impact.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Contingent consideration
The Group has certain contingent purchase price obligations connected with its 2017 acquisitions of 12 Digital Marketing LLC and FluidM LLC (see below). The contingent consideration is measured at fair value at the date of acquisition and reassessed at the end of each reporting period in accordance with the Group's significant accounting policies summarised in note 2. The assessment of fair value requires a degree of judgement relating to the projection of future revenues, operating costs and the achievement of development milestones.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Impairment of 2017 acquisitions
The Group acquired 12 Digital Marketing LLC, an advertising technology business in February 2017 for $40,000,000 in initial consideration (prior to adjustments) and contingent consideration ranging between $nil and $85,000,000 depending on future performance, and FluidM LLC, an early stage start-up business focused on intelligent, context aware voice assistants available across different communication interfaces in March 2017 for $3,500,000 (prior to adjustments) (including $1,000,000 contingent consideration).

Upon closing of the acquisitions, the initial purchase price and the estimated contingent consideration payable was recorded as goodwill.

The Group is in the early phase of its life cycle developing a comprehensive suite of products and services. At 31 December 2017, the Group was in discussions with brands, retailer and shopping venues to enter into contracts in relation to the Group's proposed product and service offerings.

Management have determined that as those discussions were at an early stage, they were unable to produce cash flow forecasts for the Group with sufficient reliability to support the acquired goodwill. As such, the goodwill was fully impaired at 31 December 2017.

Note 4. Revenue from contracts with customers

	Consolidated	
	9 Months ended 30 Sep 2018 US$'000	9 Months ended 30 Sep 2017 US$'000
From continuing operations		
Sales from rendering of services	9,102	18,312

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	9 Months ended 30 Sep 2018 US$'000	9 Months ended 30 Sep 2017 US$'000
Major product lines		
Current product revenue	4,692	783
Non-recurring revenue	4,410	17,529
	9,102	18,312

Non-recurring revenue includes:
(a) Funding received from Westfield Corporation and Scentre Group for the development of technology products used specifically by these customers. The Group is no longer continuing to develop or support such products, and both customers have been granted a perpetual, royalty free license agreement to utilise the intellectual property associated with these products.
(b) Amortisation of license fee revenue from OneMarket Network UK Limited for the period prior to the contribution of the UK OneMarket business to OneMarket Holdings, Inc.

Note 5. Discontinued operations

Description
As at 1 January 2017, Westfield DDC LLC, the Design, Development and Construction business of Westfield Corporation, was wholly-owned by OneMarket Network LLC. Westfield DDC LLC was responsible for all design, development and construction work performed at Westfield Corporation's centres. On 30 June 2017, OneMarket Network LLC distributed its investment in Westfield DDC LLC to WCL Holdings Inc., its parent entity for total consideration of US$71,766,000 in the form of a deemed distribution.

The following is a summary of the results of operations and cash flows for Westfield DDC LLC:

Financial performance information

	Consolidated	
	9 Months ended 30 Sep 2018 US$'000	9 Months ended 30 Sep 2017 US$'000
Revenue	-	446,699
Professional and consultancy expenses	-	(16)
Direct costs and consumables used	-	(389,360)
Corporate overheads	-	(2,450)
Other expenses	-	(62)
Total expenses	-	(391,888)
Profit before income tax expense	-	54,811
Income tax expense	-	(25)
Profit after income tax expense from discontinued operations	-	54,786

Cash flow information

	Consolidated	
	9 Months ended 30 Sep 2018 US$'000	9 Months ended 30 Sep 2017 US$'000
Net cash from operating activities	-	16,977
Net cash used in investing activities	-	(24,900)
Net decrease in cash and cash equivalents from discontinued operations	-	(7,923)

Note 5. Discontinued operations (continued)

Carrying amounts of assets and liabilities disposed

	Consolidated	
	9 Months ended 30 Sep 2018 US$'000	9 Months ended 30 Sep 2017 US$'000
Cash and cash equivalents	-	6,507
Trade and other receivables	-	68,846
Total assets	-	75,353
Trade and other payables	-	3,587
Total liabilities	-	3,587
Net assets	-	71,766

	Consolidated	
	9 Months ended 30 Sep 2018 US$'000	9 Months ended 30 Sep 2017 US$'000
Total sale consideration (deemed distribution to Westfield Corporation)	-	71,766
Carrying amount of net assets disposed	-	(71,766)
Gain on disposal before income tax	-	-
Gain on disposal after income tax	-	-

Note 6. Current assets - trade and other receivables

	Consolidated	
	30 Sep 2018 US$'000	31 Dec 2017 US$'000
Trade receivables	3,070	4,916
Less: Allowance for expected credit losses	(112)	-
	2,958	4,916
Other receivables	100	-
Receivable from disposal of investment in unlisted security	690	-
GST receivable	221	-
	3,969	4,916

Note 7. Current assets - term deposits

	Consolidated	
	30 Sep 2018 US$'000	31 Dec 2017 US$'000
Term deposits	50,705	-

The Group has deposited funds into two money market term deposits each with original principal amounts of US$25,000,000. The deposits mature on 3 January 2019 and 2 April 2019 and carry interest rates of 2.68% and 2.78% respectively.

Note 8. Current liabilities - trade and other payables

	Consolidated	
	30 Sep 2018 US$'000	31 Dec 2017 US$'000
Trade payables	1,369	337
Other payables and accruals	5,057	12,690
	6,426	13,027

Note 9. Current liabilities - contingent and deferred consideration

	Consolidated	
	30 Sep 2018 US$'000	31 Dec 2017 US$'000
Contingent and deferred consideration	500	1,315

The Group has certain contingent and deferred purchase price obligations connected with its acquisitions of 12 Digital Marketing LLC ('12 Digit') and FluidM LLC ('FluidM'). This contingent consideration is measured at fair value as detailed in notes 2 and 3.

A summary of the terms of the contingent consideration is as follows:

12 Digital Marketing LLC contingent consideration
Under the terms of the 12 Digit Acquisition Agreement, the former stockholders of 12 Digit and certain former employees of 12 Digit have the right to receive contingent consideration from the Group of up to $85 million if certain financial targets are achieved. The amount of contingent consideration payable, if any, is to be calculated annually at the end of each of the calendar years 2017 to 2020 based on gross revenue (for 2017) and after tax profit (for 2018, 2019 and 2020) of the 12 Digit business, as defined and calculated for purposes of the 12 Digit Acquisition Agreement. Under no circumstances can the aggregate additional contingent consideration payable pursuant to the 12 Digit Acquisition Agreement exceed $85,000,000. The Group paid US$455,000 of contingent consideration related to the calculation of 2017.

At 30 September 2018, the fair value of the remaining contingent consideration in respect of the 12 Digital Marketing LLC ('12 Digit') acquisition was estimated to be US$175,000 (US$4,700,000 as at 31 December 2017) of which 31% has been provided for as an acquisition cost. The remaining 69% is payable to employees of OneMarket Limited and is expensed as an employee cost in the year as service is performed and as progress towards performance hurdles takes place.

FluidM LLC contingent consideration
At the date of acquisition of FluidM LLC US$1,000,000 was provided for as the contingent consideration and $250,000 was provided for as deferred consideration. Contingent consideration payments are made pending the successful completion of certain operational milestones. The first milestone payment of US$500,000 was made in September, 2017 and the second US$500,000 milestone payment is due in January 2019. The deferred consideration of $250,000 was paid during the period ended 30 September 2018.

Note 10. Non-current liabilities - contingent and deferred consideration

	Consolidated	
	30 Sep 2018 US$'000	31 Dec 2017 US$'000
Contingent and deferred consideration	175	4,170

Refer to note 9 for further details.

Note 11. Equity - issued capital

	Consolidated			
	30 Sep 2018 Shares	31 Dec 2017 Shares	30 Sep 2018 US$'000	31 Dec 2017 US$'000
Ordinary shares - fully paid	103,929,134	2	187,166	186,541

Movements in ordinary share capital

Details	Date	Shares	US$'000
Balance	1 January 2018	2	186,541
Capital adjustment on acquisition of OneMarket Network LLC	1 January 2018	-	(17,209)
Issue of shares to Westfield Corporation	2 January 2018	1	-
Subdivision adjusting share count to 10	6 April 2018	7	-
Distribution to Westfield Corporation	31 May 2018	-	(1,691)
Issue of share on acquisition of OneMarket UK Holdings Limited	1 June 2018	1	19,525
Subdivision of shares on a ratio of 11 to 103,929,134	1 June 2018	103,929,123	-
Balance	30 September 2018	103,929,134	187,166

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Note 12. Equity - reserves

	Consolidated	
	30 Sep 2018 US$'000	31 Dec 2017 US$'000
Foreign currency reserve	30	-
Share-based payments reserve	2,026	-
Group reorganisation reserve	192,371	-
Common control reserve	52,670	65,896
Acquisition reserve	41,476	-
	288,573	65,896

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to US dollars.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 12. Equity - reserves (continued)

Group reorganisation reserve
The group reorganisation reserve is used to recognise the difference between the fair value of consideration transferred and carrying value of the net assets acquired. The group reorganisation reserve at 30 September 2018 related to the Group's acquisition of OneMarket Network LLC.

Common control reserve
The common control reserve is used to recognise the difference between the fair value of consideration transferred and carrying value of the net assets acquired and disposed. The common control reserve at 30 September 2018 related to the Group's acquisition of OneMarket Holdings UK Limited and the Group's disposal of Westfield DDC LLC.

Acquisition reserve
This reserve is used to recognise the difference between the fair value of consideration received and non-controlling interests recognised.

Movements in reserves
Movements in each class of reserve during the current financial period are set out below:

Consolidated	Foreign currency reserve US$'000	Share-based payments reserve US$'000	Group reorganisation reserve US$'000	Common control reserve US$'000	Acquisition reserve US$'000	Total US$'000
Balance at 1 January 2018	-	-	-	65,896	-	65,896
Foreign currency translation	30	-	-	-	-	30
Share-based payments	-	2,026	-	-	-	2,026
Part disposal of subsidiary to non-controlling interest	-	-	-	-	41,476	41,476
Contribution from Westfield Corporation Limited	-	-	5,799	-	-	5,799
Group reorganisation - acquisition of OneMarket Network LLC	-	-	186,572	-	-	186,572
Acquisition of commonly controlled entity - OneMarket Holdings UK Limited	-	-	-	(13,226)	-	(13,226)
Balance at 30 September 2018	30	2,026	192,371	52,670	41,476	288,573

Note 13. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Note 14. Fair value measurement

Fair value hierarchy
The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 30 Sep 2018	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000
Liabilities			
Contingent consideration	-	-	675
Total liabilities	-	-	675

Consolidated - 31 Dec 2017	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000
Liabilities			
Contingent consideration	-	-	5,485
Total liabilities	-	-	5,485

There were no transfers between levels during the financial period.

The carrying amounts of trade and other receivables, term deposits and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Contingent consideration has been valued as described in note 9.

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current financial period are set out below:

Consolidated	Contingent consideration US$'000
Balance at 1 January 2018	5,485
Amounts paid	(250)
Gains recognised in profit or loss in other income	(2,744)
Amount recognised in profit or loss in employee benefits expenses	(1,816)
Balance at 30 September 2018	675

The level 3 contingent liabilities unobservable inputs and sensitivities are as follows:

Description	Unobservable inputs	Sensitivity
FluidM	Achievement of operational milestone	Non-achievement of milestones would decrease fair value by $500,000.
12Digit	Annual net income after tax (2018-2020)	$1,000,000 change would increase/decrease fair value by $1,800,000.

Note 15. Contingent liabilities

The Group has no contingent liabilities at 30 September 2018 and 31 December 2017.

Note 16. Related party transactions

Parent entity
OneMarket Limited is the parent entity.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 9 Months ended 30 Sep 2018 US$	Consolidated 9 Months ended 30 Sep 2017 US$
Sale of goods and services:		
Sale of services to controlling entity*	1,957,071	10,777,952
Payment for goods and services:		
Payment for services from controlling entity*	3,888	14,373,684
Payment for other expenses:		
Interest paid to controlling entity*	738	5,272,203

* Westfield Corporation was the Group's controlling entity from 1 January 2017 to the date of the initial public offering when the Group de-merged from Westfield Corporation. The transactions for the period ended 30 September 2018 represent transactions up until Westfield Corporation ceased to be the controlling entity.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 30 Sep 2018 US$	Consolidated 31 Dec 2017 US$
Current receivables:		
Trade receivables from other related party*	834,540	2,691,610
Current payables:		
Trade payables to controlling entity	-	3,797,737
Trade payables to other related party*	578,583	-

* Other related party represents Westfield Corporation which is no longer a controlling entity at 30 September 2018

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 17. Common control transaction

On 31 May 2018 One Market Holdings, Inc acquired One Market UK Holdings Limited and its controlled entities ('UK OneMarket business') in exchange for one common share of OneMarket Holdings Inc. common stock. This acquisition has been identified as a common control transaction as Westfield Corporation controlled both businesses at the time of this acquisition. Management has elected to apply the pooling of interest method of accounting with no goodwill recognised on this transaction. Instead the UK OneMarket business was acquired at its carrying value and the difference between the carrying value and consideration paid was recorded in equity, in a common control reserve.

Details of the acquisition are as follows:

	Fair value US$'000
Cash and cash equivalents	6,952
Trade receivables	258
Other receivables	745
Other assets	20,256
Property, plant and equipment	39
Trade payables	(118)
Other payables	(151)
Employee benefits	(621)
Other liabilities	(21,061)
Net assets acquired	6,299

Acquisition-date fair value of the total consideration transferred represented by:

Share issued	19,525
Common control reserve	(13,226)
	6,299

Note 18. Earnings per share

	Consolidated	
	9 Months ended 30 Sep 2018 US$'000	9 Months ended 30 Sep 2017 US$'000
Earnings per share for loss from continuing operations		
Loss after income tax for the period	(55,037)	(71,414)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	99,149,224	20,710,341
Weighted average number of ordinary shares used in calculating diluted earnings per share	99,149,224	20,710,341
	Cents	**Cents**
Basic earnings per share	(55.51)	(344.82)
Diluted earnings per share	(55.51)	(344.82)

Note 18. Earnings per share (continued)

	Consolidated	
	9 Months ended 30 Sep 2018 US$'000	9 Months ended 30 Sep 2017 US$'000
Earnings per share for loss		
Loss after income tax	(55,037)	(16,628)
Non-controlling interest	2,009	-
Loss after income tax attributable to the owners of OneMarket Limited	(53,028)	(16,628)
	Cents	**Cents**
Basic earnings per share	(53.93)	(81.54)
Diluted earnings per share	(53.93)	(81.54)

Restricted stock units granted under the Equity Incentive Plan have been excluded from the weighted average number of ordinary shares used in calculating diluted earnings per share as they are considered anti-dilutive.

Note 19. Share-based payments

The Group has implemented an Equity Incentive Plan ('the Plan') under which employees, consultants and directors may be granted stock options, stock awards, restricted stock units ('RSUs') or stock appreciation rights in OneMarket Holdings, Inc. The total number of shares authorised for distribution is 4,000,000. For the period ended 30 September 2018, the Group granted 3,454,600 RSUs, of which 396,700 have been forfeited. Awards generally vest in one of two ways:

- quarterly over a 4-year period; and
- 25% after 1 year and then monthly thereafter over an additional 3-year period, subject to the occurrence of a liquidity event prior to the expiration of the awards (generally 7 years from the original grant date).

As at 30 September 2018, a total of 109,375 RSUs vested. The Group withheld 53,483 of these shares in exchange for the payment of income taxes due on the vested shares. Withheld shares are returned to the Plan pool and are eligible to be re-allocated to employees through future awards.

As at 30 September 2018, a total of 3,004,417 RSUs were outstanding.

For the period ended 30 September 2018, the Group recognised as an expense US$2,026,000 related to the awarded RSUs.

Note 20. Events after the reporting period

On 20 November 2019 OneMarket Limited announced that Mr. Don Kingsborough, OneMarket Chief Executive Officer ('CEO'), has advised the board that he will step down from the CEO role for health reasons with effect from a date to be agreed in the first quarter of 2019. In the period prior to his departure, Mr. Kingsborough will remain as CEO but is expected to take leaves of absence as required to in order to receive treatment for his health condition. Mr. Kingsborough will continue to work closely with the Chairman of the Board and the senior management team. It is expected the Mr. Kingsborough will remain on the Board of OneMarket Limited after stepping down as CEO.

No other matter or circumstance has arisen since 30 September 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 September 2018 and of its performance for the financial period ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

Steven Mark Lowy AM
Chairman

21 November 2018
Sydney

Building a better
working world

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent Auditor's Review Report to the Members of OneMarket Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of OneMarket Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 30 September 2018, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the period 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, nothing has come to our attention that causes us to believe that the interim 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 30 September 2018 and of its consolidated financial performance for the period ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Interim Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim 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 interim 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 30 September 2018 and its consolidated financial performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the 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 an interim 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of OneMarket Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Ernst & Young

Ernst & Young

Douglas Bain
Partner
Sydney
21 November 2018