



ONEMARKET™

22 November 2019

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

Dear Sir/Madam

**ONEMARKET LIMITED (ASX:OMN)
APPENDIX 4D AND HALF-YEAR FINANCIAL REPORT**

Attached are OneMarket Limited's Appendix 4D and half-year financial report for the period ended 30 September 2019.

Yours faithfully

ONEMARKET LIMITED

**Simon Tuxen
Company Secretary**

1. Company details

Name of entity:	OneMarket Limited
ABN:	28 623 247 549
Reporting period:	6 months for the period ended 30 September 2019
Previous period:	9 months for the period ended 30 September 2018

2. Results for announcement to the market

			US\$'000
Revenues from ordinary activities	down	59.7% to	3,666
Loss from ordinary activities after tax attributable to the owners of OneMarket Limited	down	67.2% to	(21,475)
Loss for the period attributable to the owners of OneMarket Limited	down	67.2% to	(21,475)

Dividends

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

Comments

OneMarket is a retail technology company developing a cloud-based, connected platform and ecosystem of customer centric solutions called the OneMarket Customer Activation Platform. The platform is designed to identify, understand and activate customers, online and offline, creating meaningful and continuing relationships between customers, retailers, brands and venues.

OneMarket's revenue from ordinary activities during the 6-month period was US\$3,666,000 compared to US\$9,102,000 for the 9-month period ended 30 September 2018.

OneMarket's loss during the 6-month period after providing for income tax and non-controlling interest was US\$21,475,000 compared to a loss of US\$65,375,000 for the 9-month period ended 30 September 2018.

OneMarket had cash and term deposits of US\$105,217,000 as at 30 September 2019.

During the period, OneMarket continued to be in active discussions with a number of parties that have demonstrated interest in joining the OneMarket platform. In July, OneMarket announced that it had entered into multi-year contracts with JackRabbit and Joseph Ltd. for its Customer Activation Platform. Despite this progress, the business remains early stage and is some way from generating substantial revenue and reducing the significant ongoing operating expenses being incurred on a monthly basis.

As announced at OneMarket's Annual General Meeting held on 28 August 2019, the Board of OneMarket conducted a review of its strategic options to maximise value for its shareholders given that OneMarket shares have consistently traded at a material discount to its net asset backing. On 30 September 2019, OneMarket announced that the Board had completed the review and, despite a process to explore a range of potential strategic options and having carefully weighed the alternatives, the Board decided to proceed (subject to the necessary Shareholder approvals) with an orderly winding-up of OneMarket.

On 1 November 2019 OneMarket dispatched to shareholders a Notice of General Meeting to propose the delisting and voluntary winding up of OneMarket, and the appointment of a liquidator. Further detail regarding the Board's process in reaching the view that this proposal should be put to shareholders, as well as details of the liquidation process, were included in the Explanatory Notes which accompanied the Notice of General Meeting.

The Appendix 4D should be read in conjunction with OneMarket Limited's Annual Report for the period ended 31 March 2019 lodged with the Australian Securities Exchange (ASX) on 31 May 2019.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	90.71	149.81

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

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

During the financial period ended 30 September 2018, a distribution of US\$1,691,000 was made by OneMarket Network LLC to Westfield Corporation.

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.

The review report draws attention to Note 2 of the financial report, which describes the basis of accounting. The review opinion is not modified in respect of this matter.

8. Attachments

Details of attachments (if any):

The Interim Report of OneMarket Limited for the period ended 30 September 2019 is attached.

9. Signed

Signed  _____

Steven Mark Lowy AM
Chairman
Sydney

Date: 22 November 2019



OneMarket Limited

ABN 28 623 247 549

Interim Report - 30 September 2019

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as 'OneMarket') 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 period ended 30 September 2019.

Directors

The following persons were directors of OneMarket Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Steven Lowy AM - Non-Executive Chairman
Joseph Polverari - Executive Director and Chief Executive Officer
Donald Kingsborough - Non-Executive Director
Ilana Atlas - Non-Executive Director
Mark Johnson AO - Non-Executive Director
Brian Long - Non-Executive Director

Principal activities

During the financial period the principal continuing activities of OneMarket, a retail technology company, consisted of developing a cloud-based, connected platform and ecosystem of customer-centric solutions, called the OneMarket Customer Activation Platform. The platform is designed to identify, understand and activate customers, online and offline, creating meaningful and continuing relationships between customers, retailers, brands and venues.

Significant changes in the state of affairs

On 30 September 2019 the Board decided to proceed subject to any necessary shareholder approvals with an orderly winding-up of OneMarket. As a result, it is expected that OneMarket will conclude operations prior to the year end. The general purpose financial statements for the period ended 30 September 2019 have therefore been prepared under the liquidation basis of accounting.

Other than noted above, there were no other significant changes in the state of affairs of OneMarket during the financial period.

Dividends

There were no dividends paid, recommended or declared during the current financial half-year.

During the financial period ended 30 September 2018, a distribution of US\$1,691,000 was made by OneMarket Network LLC to Westfield Corporation.

Review of operations

OneMarket is a retail technology company developing a cloud-based, connected platform and ecosystem of customer centric solutions called the OneMarket Customer Activation Platform. The platform is designed to identify, understand and activate customers, online and offline, creating meaningful and continuing relationships between customers, retailers, brands and venues.

OneMarket's revenue from ordinary activities during the 6-month period was US\$3,666,000 compared to US\$9,102,000 for the 9-month period ended 30 September 2018.

OneMarket's loss during the 6-month period after providing for income tax and non-controlling interest was US\$21,475,000 compared to a loss of US\$65,375,000 for the 9-month period ended 30 September 2018.

OneMarket had cash and term deposits of US\$105,217,000 as at 30 September 2019.

During the period, OneMarket continued to be in active discussions with a number of parties that have demonstrated interest in joining the OneMarket platform. In July, OneMarket announced that it had entered into multi-year contracts with JackRabbit and Joseph Ltd. for its Customer Activation Platform. Despite this progress, the business remains early stage and is some way from generating substantial revenue and reducing the significant ongoing operating expenses being incurred on a monthly basis.

As announced at OneMarket's Annual General Meeting held on 28 August 2019, the Board of OneMarket conducted a review of its strategic options to maximise value for its shareholders given that OneMarket shares have consistently traded at a material discount to its net asset backing. On 30 September 2019, OneMarket announced that the Board had completed the review and, despite a process to explore a range of potential strategic options and having carefully weighed the alternatives, the Board decided to proceed (subject to the necessary Shareholder approvals) with an orderly winding-up of OneMarket.

On 1 November 2019 OneMarket dispatched to shareholders a Notice of General Meeting to propose the delisting and voluntary winding up of OneMarket, and the appointment of a liquidator. Further detail regarding the Board's process in reaching the view that this proposal should be put to shareholders, as well as details of the liquidation process, were included in the Explanatory Notes which accompanied the Notice of General Meeting.

Matters subsequent to the end of the financial period

No matter or circumstance inconsistent with the orderly wind-up of OneMarket has arisen since 30 September 2019.

Rounding of amounts

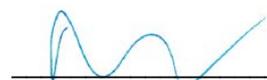
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain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

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

22 November 2019
Sydney

Auditor's Independence Declaration to the Directors of OneMarket Limited

As lead auditor for the review of the half-year financial report of OneMarket Limited for the half-year ended 30 September 2019, 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



Douglas Bain
Partner
22 November 2019

Statement of profit or loss and other comprehensive income	5
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	21
Independent auditor's review report to the members of OneMarket Limited	22

OneMarket Limited
Statement of profit or loss and other comprehensive income
For the period ended 30 September 2019



	Note	Consolidated 6 Months ended 30 Sep 2019 US\$'000	9 Months ended 30 Sep 2018 US\$'000 Restated
Revenue from contracts with customers	5	3,666	9,102
Other income		175	2,744
Interest revenue		1,199	1,754
Expenses			
Employee benefits expense		(13,621)	(49,982)
Communication and technology expenses		(3,361)	(4,075)
Contract labour and consultancy expenses		(4,517)	(12,236)
Direct costs and consumables used		(2,426)	(2,417)
Occupancy expenses		(109)	(2,641)
Impairment of receivables		(93)	-
Travel expenses		(304)	(1,237)
Other expenses		(2,063)	(2,803)
Depreciation and amortisation expense		(846)	(1,291)
Impairment of assets		(1,687)	-
Transaction expenses		-	(3,735)
Corporate overheads		(196)	(533)
Finance costs		(43)	(1)
Loss before income tax expense		(24,226)	(67,351)
Income tax expense		-	(33)
Loss after income tax expense for the period		(24,226)	(67,384)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		23	30
Other comprehensive income for the period, net of tax		23	30
Total comprehensive income for the period		<u>(24,203)</u>	<u>(67,354)</u>
Loss for the period is attributable to:			
Non-controlling interest		(2,751)	(2,009)
Owners of OneMarket Limited		(21,475)	(65,375)
		<u>(24,226)</u>	<u>(67,384)</u>
Total comprehensive income for the period is attributable to:			
Non-controlling interest		(2,751)	(2,009)
Owners of OneMarket Limited		(21,452)	(65,345)
		<u>(24,203)</u>	<u>(67,354)</u>

The financial results for the period ended 30 September 2018 were restated to correct the accounting treatment of a Westfield payment to OneMarket for certain employee incentives.

Refer to Note 2 for a further description of the restatement.

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 2019



		Consolidated	
	Note	6 Months ended 30 Sep 2019 US\$'000	9 Months ended 30 Sep 2018 US\$'000 Restated
		Cents	Cents
Basic earnings per share	19	(20.66)	(65.94)
Diluted earnings per share	19	(20.66)	(65.94)

The financial results for the period ended 30 September 2018 were restated to correct the accounting treatment of a Westfield payment to OneMarket for certain employee incentives.

Refer to Note 2 for a further description of the restatement.

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

	Note	Consolidated 30 Sep 2019 US\$'000	31 Mar 2019 US\$'000 Restated
Assets			
Cash and cash equivalents		38,753	9,778
Term deposits	6	66,464	110,690
Trade and other receivables	7	1,211	3,658
Contract assets		322	-
Other assets		543	1,503
Plant and equipment	8	118	1,775
Right-of-use assets	9	1,355	-
Total assets		<u>108,766</u>	<u>127,404</u>
Liabilities			
Trade and other payables	10	10,175	6,902
Contract liabilities		23	175
Lease liabilities	11	1,787	-
Income tax		-	2
Employee benefits		2,504	1,158
Contingent and deferred consideration	12	-	175
Total liabilities		<u>14,489</u>	<u>8,412</u>
Net assets		<u>94,277</u>	<u>118,992</u>
Equity			
Issued capital	13	187,166	187,166
Reserves		267,418	268,660
Accumulated losses		(370,552)	(349,077)
Equity attributable to the owners of OneMarket Limited		84,032	106,749
Non-controlling interest		10,245	12,243
Total equity		<u>94,277</u>	<u>118,992</u>

A reclassification adjustment of \$31,307,000 has been made between Reserves and Non-controlling interest correcting the original De-merger and Group reorganisation entries. A reclassification adjustment of \$1,185,000 has also been made between Reserves and Non-controlling interest correcting the Vesting of Share-based payment arrangements of subsidiary.

Refer to Note 2 for a further description of the restatement.

OneMarket Limited
Statement of changes in equity
For the period ended 30 September 2019



Consolidated	Issued capital US\$'000	Reserves¹ US\$'000	Accumulated losses² US\$'000	Non-controlling interest¹ 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, restated	-	-	(65,375)	(2,009)	(67,384)
Other comprehensive income for the period, net of tax	-	30	-	-	30
Total comprehensive income for the period, restated	-	30	(65,375)	(2,009)	(67,354)
<i>Transactions with owners in their capacity as owners:</i>					
Distributions of equity	(1,691)	-	-	-	(1,691)
Part disposal of subsidiary to non-controlling interests, restated	-	10,169	-	16,201	26,370
Contribution from Westfield Corporation	-	5,799	-	-	5,799
Group reorganisation - acquisition of OneMarket Network LLC, restated	(17,209)	198,919	-	-	181,710
Acquisition of commonly controlled entity - OneMarket UK Holdings Limited	19,525	(13,226)	-	-	6,299
Share-based payments	-	2,026	-	-	2,026
Balance at 30 September 2018, restated	<u>187,166</u>	<u>269,613</u>	<u>(322,436)</u>	<u>14,192</u>	<u>148,535</u>

Consolidated	Issued capital US\$'000	Reserves US\$'000	Accumulated losses US\$'000	Non-controlling interest US\$'000	Total equity US\$'000
Balance at 1 April 2019	187,166	268,660	(349,077)	12,243	118,992
Loss after income tax expense for the period	-	-	(21,475)	(2,751)	(24,226)
Other comprehensive income for the period, net of tax	-	23	-	-	23
Total comprehensive income for the period	-	23	(21,475)	(2,751)	(24,203)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 20)	-	(512)	-	-	(512)
Vesting of Share-based payment arrangements of subsidiary	-	(753)	-	753	-
Balance at 30 September 2019	<u>187,166</u>	<u>267,418</u>	<u>(370,552)</u>	<u>10,245</u>	<u>94,277</u>

1 A reclassification adjustment of \$31,307,000 has been made between Reserves and Non-controlling interest correcting the original De-merger and Group reorganisation entries.

2 The financial results for the period ended 30 September 2018 were restated to correct the accounting treatment of a Westfield payment to OneMarket for certain employee incentives.

Refer to Note 2 for a further description of the restatement.

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

	Consolidated	
	6 Months ended 30 Sep 2019 US\$'000	9 Months ended 30 Sep 2018 US\$'000 Restated
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	5,017	10,534
Platform contribution transaction receipts (inclusive of GST)	-	23,383
Payments to suppliers and employees (inclusive of GST)	(22,049)	(94,473)
	(17,032)	(60,556)
Interest received	1,425	1,049
Interest and other finance costs paid	(43)	-
Income taxes paid	-	(33)
Net cash used in operating activities	(15,650)	(59,540)
Cash flows from investing activities		
Net of cash acquired on acquisition of OneMarket UK Holdings Limited	-	6,952
Payment of contingent consideration	-	(250)
Payments for term deposits	-	(50,000)
Payments for convertible notes	-	(17,861)
Payments for property, plant and equipment	(88)	(256)
Proceeds from term deposits	44,000	-
Proceeds from disposal of unlisted securities	690	6,012
Proceeds from disposal of property, plant and equipment	-	189
Net cash from/(used in) investing activities	44,602	(55,214)
Cash flows from financing activities		
Proceeds of disposal of non-controlling interest	-	19,668
Proceeds from Group reorganisation	-	187,476
Distribution of equity	-	(1,691)
Net cash from financing activities	-	205,453
Net increase in cash and cash equivalents	28,952	90,699
Cash and cash equivalents at the beginning of the financial period	9,778	11,343
Effects of exchange rate changes on cash and cash equivalents	23	30
Cash and cash equivalents at the end of the financial period	<u>38,753</u>	<u>102,072</u>

The financial results for the period ended 30 September 2018 were restated to correct the accounting treatment of a Westfield payment to OneMarket for certain employee incentives.

Refer to Note 2 for a further description of the restatement.

Note 1. General information

The financial statements cover OneMarket Limited as a Group consisting of OneMarket Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the period (collectively referred to in these financial statements as the 'Group' or 'OneMarket'). The financial statements are presented in US dollars, which is the Group's functional and presentation currency.

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

Registered office

Level 12, 225 George Street
Sydney
NSW 2000
Australia

Principal place of business

835 Market Street
Suite 517
San Francisco CA 94103
USA

A description of the nature of OneMarket'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 ____ November 2019.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 September 2019 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'.

Basis of preparation

On 30 September 2019 the Board decided to proceed subject to any necessary shareholder approvals with an orderly winding-up of the Group. As a result, it is expected that the Group will conclude operations prior to the year end. The general purpose financial statements for the period ended 30 September 2019 have therefore been prepared under the liquidation basis of accounting. Under the liquidation basis of accounting, assets are measured at their net realisable values and liabilities are measured at amortised cost. As the liquidation is still subject to shareholder approval, the anticipated legal and liquidation costs are not accrued in these financial statements. However, certain break costs and employee obligations are accrued as there was a constructive obligation as at 30 September 2019.

The annual report for the period ended 31 March 2019 was prepared on a going concern basis. The balance sheet has been adjusted to present assets and liabilities in their order of liquidity. The prior year has also been re-presented on this basis.

During the comparative period, 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 half-year OneMarket was 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.

As a result of the Group reorganisation which occurred on 1 January 2018, the financial statements are a continuation of the existing US businesses. The comparative statement of profit or loss and other comprehensive income covers the period from 1 January 2018 to 30 September 2018 and the comparative statement of financial position is at 31 March 2019. Refer to '*De-merger and Group reorganisation during the period ended 30 September 2018*' section in note 2 for further details.

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 the annual report for the period ended 31 March 2019 and 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 are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Note 2. Significant accounting policies (continued)

Restatement of comparatives

It was identified during the 31 March 2019 year end close process that the prior year results included the incorrect treatment of a payment made by Westfield Corporation Limited to OneMarket in relation to the payout of certain employee incentives in connection with the demerger of OneMarket from the Westfield group. It has been subsequently determined that the reimbursement should have been recorded as a capital contribution and expense, resulting in a US\$12,347,000 increase in net loss for the Group. As a result the comparative financial information has been restated to include the impact of this amount.

A reclassification adjustment of \$31,307,000 has been made between Reserves and Non-controlling interest correcting the initial recognition of Non-controlling interest at the time of the De-merger and Group reorganisation. This has resulted in a change to the comparative Statement of financial position and Statement of changes in equity.

New or amended Accounting Standards and Interpretations adopted

OneMarket 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.

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

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

AASB 16 Leases

OneMarket has adopted AASB 16 'Leases' from 1 April 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 are higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The following assets and liabilities were recognised on 1 April 2019, resulting in an adjustment to accumulated losses on 1 April 2019 of US\$nil:

	1 April 2019 US\$'000
Right-of-use assets (AASB 16)	2,142
Lease liabilities - current (AASB 16)	(722)
Lease liabilities - non-current (AASB 16)	<u>(1,420)</u>
Net impact on accumulated losses at 1 April 2019	<u><u>-</u></u>

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter.

Note 2. Significant accounting policies (continued)

OneMarket has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, OneMarket's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

De-merger and Group reorganisation during the period ended 30 September 2018

On 5 December 2017 OneMarket Limited was incorporated in Australia.

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.

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.

Note 2. Significant accounting policies (continued)

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

- the financial results for OneMarket Limited and its controlled entities for the 6 months ended 30 September 2019;
- the comparative results represent 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 statement of financial position represent the financial position of OneMarket Limited and its controlled entities as at 30 September 2019. The comparative statement of financial position represents the financial position of OneMarket Limited and its controlled entities as at 31 March 2019.

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.

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

OneMarket 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

OneMarket has certain contingent purchase price obligations connected with its 2017 acquisitions of 12 Digital Marketing LLC and FluidM LLC. The contingent consideration is measured at fair value at the date of acquisition and reassessed at the end of each reporting period. 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 4. Operating segments

OneMarket 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.

The operating segment information is the same information as provided throughout the financial statements and therefore not duplicated.

Note 5. Revenue from contracts with customers

	Consolidated	
	6 Months ended 30 Sep 2019 US\$'000	9 Months ended 30 Sep 2018 US\$'000
Sales from rendering of services	3,666	9,102

Note 5. Revenue from contracts with customers (continued)

Disaggregation of revenue

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

	Consolidated	
	6 Months ended 30 Sep 2019 US\$'000	9 Months ended 30 Sep 2018 US\$'000
Major product lines		
Current product revenue	3,666	4,692
Non-recurring revenue	-	4,410
	<u>3,666</u>	<u>9,102</u>

Non-recurring revenue includes:

- (a) Funding received from Westfield Corporation and Scentre Group for the development of technology products used specifically by these customers. OneMarket 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 6. Term deposits

	Consolidated	
	30 Sep 2019 US\$'000	31 Mar 2019 US\$'000
Term deposits	<u>66,464</u>	<u>110,690</u>

OneMarket has deposited funds into three money market term deposits with original principal amounts ranging from US\$11,000,000 to US\$30,000,000. The remaining deposits matured on 15 October 2019 and 23 October 2019 and carried interest rates of 3.11% and 2.30% respectively. The final term deposit was originally scheduled to mature on 2 January 2020, however OneMarket redeemed the deposit on 31 October 2019 with no penalty. The final deposit carried an interest rate of 3.05%.

Note 7. Trade and other receivables

	Consolidated	
	30 Sep 2019 US\$'000	31 Mar 2019 US\$'000
Trade receivables	1,144	2,574
Less: Allowance for expected credit losses	(190)	(112)
	<u>954</u>	<u>2,462</u>
Other receivables	257	506
Receivable from disposal of investment in unlisted security	-	690
	<u>1,211</u>	<u>3,658</u>

The receivable from disposal of investment in unlisted security represents amounts held in escrow following the disposal of OneMarket's investment in Curbside. This amount was received on 23 August 2019.

Note 8. Plant and equipment

	Consolidated	
	30 Sep 2019	31 Mar 2019
	US\$'000	US\$'000
Leasehold improvements - at cost	1,030	1,013
Less: Accumulated depreciation	(203)	(15)
Less: Impairment	(735)	-
	92	998
Furniture, fixtures and equipment - at cost	335	335
Less: Accumulated depreciation	(314)	(305)
Less: Impairment	(20)	-
	1	30
Computer equipment - at cost	2,424	2,411
Less: Accumulated depreciation	(1,911)	(1,664)
Less: Impairment	(488)	-
	25	747
	118	1,775

Impairment

As a result of the announcement of the winding-up of operations, assets are written down to reflect the revised value for remaining period of use at 30 September 2019.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

Consolidated	Leasehold improvements US\$'000	Furniture, fixtures and equipment US\$'000	Computer equipment* US\$'000	Total US\$'000
Balance at 1 April 2019	998	30	747	1,775
Additions	17	-	13	30
Impairment of assets	(735)	(20)	(488)	(1,243)
Depreciation expense	(188)	(9)	(247)	(444)
Balance at 30 September 2019	92	1	25	118

* includes computer hardware and software

Note 9. Right-of-use assets

	Consolidated	
	30 Sep 2019	31 Mar 2019
	US\$'000	US\$'000
Right-of-use asset	2,201	-
Less: Accumulated depreciation	(402)	-
Less: Impairment	(444)	-
	1,355	-

OneMarket leases buildings for its offices. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 9. Right-of-use assets (continued)

The Right-of-use assets total is comprised of a property lease and a photo copier lease.

OneMarket leases other office equipment under agreements of less than 5 years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Impairment

As a result of the announcement of the winding-up of operations, assets are written down to reflect the revised value for the remaining period of use and the amount that the assets are expected to be able to be subleased for at 30 September 2019.

Note 10. Trade and other payables

	Consolidated	
	30 Sep 2019	31 Mar 2019
	US\$'000	US\$'000
Trade payables	655	1,577
Other payables and accruals	9,399	5,225
Deferred rent expense	-	57
GST payable	121	43
	<u>10,175</u>	<u>6,902</u>

Note 11. Lease liabilities

	Consolidated	
	30 Sep 2019	31 Mar 2019
	US\$'000	US\$'000
Lease liability	<u>1,787</u>	<u>-</u>

Note 12. Contingent and deferred consideration

	Consolidated	
	30 Sep 2019	31 Mar 2019
	US\$'000	US\$'000
Contingent and deferred consideration	<u>-</u>	<u>175</u>

Contingent consideration represents contingent and deferred purchase price obligations connected with its acquisition of 12 Digital Marketing LLC ('12 Digit') This contingent consideration is measured at fair value.

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 OneMarket of up to US\$85,000,000 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 US\$85,000,000. OneMarket paid US\$455,000 of contingent consideration in March 2018 and an additional US\$4,500 in March 2019 related to the 2017 calendar year. No amounts are expected to be paid for contingent compensation for the period ending 31 March 2020 in relation to calendar years 2018 to 2020.

At 30 September 2019, the fair value of the remaining contingent consideration in respect of the 12 Digital Marketing LLC ('12 Digit') acquisition was estimated to be US\$nil (US\$175,000 as at 31 March 2019).

Note 13. Issued capital

	Consolidated			
	30 Sep 2019	31 Mar 2019	30 Sep 2019	31 Mar 2019
	Shares	Shares	US\$'000	US\$'000
Ordinary shares - fully paid	103,929,134	103,929,134	187,166	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 14. Dividends

There were no dividends paid, recommended or declared during the current financial half-year.

During the financial period ended 30 September 2018, a distribution of US\$1,691,000 was made by OneMarket Network LLC to Westfield Corporation.

Note 15. Fair value measurement

Fair value hierarchy

The following tables detail OneMarket'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 2019	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000
<i>Liabilities</i>			
Contingent consideration	-	-	-
Total liabilities	-	-	-
Consolidated - 31 Mar 2019			
<i>Liabilities</i>			
Contingent consideration	-	-	175
Total liabilities	-	-	175

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.

Note 15. Fair value measurement (continued)

Valuation techniques for fair value measurements categorised within level 2 and level 3
Contingent consideration has been valued based on the discounted cash flow model.

Refer to Note 12 for further details.

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 April 2019	175
Gains recognised in profit or loss in other income	(175)
Balance at 30 September 2019	<u><u>-</u></u>

The contingent consideration was re-measured at 30 September 2019 resulting in a US\$175,000 gain recognised in other income in the profit or loss to take into account revised expectations of the net income 12 Digit is expected to generate.

Note 16. Contingent liabilities

OneMarket has no contingent liabilities at 30 September 2019 and 31 March 2019.

Note 17. Related party transactions

Parent entity

OneMarket Limited is the parent entity.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	6 Months ended 30 Sep 2019 US\$	9 Months ended 30 Sep 2018 US\$
Sale of goods and services:		
Sale of services to controlling entity*	-	1,061,589

* Westfield Corporation was OneMarket's controlling entity from 1 January 2018 to the date of the initial public offering when OneMarket 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 2019 US\$	31 Mar 2019 US\$
Current payables:		
Trade payables to other related party*	578,584	578,584

* Other related party represents Westfield Corporation which is no longer a controlling entity at 30 September 2019 and 31 March 2019

Note 17. Related party transactions (continued)

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 18. Events after the reporting period

No matter or circumstance inconsistent with the orderly wind-up of OneMarket has arisen since 30 September 2019.

Note 19. Earnings per share

	Consolidated	
	6 Months	9 Months
	ended 30	ended 30
	Sep 2019	Sep 2018
	US\$'000	US\$'000
		Restated
Loss after income tax	(24,226)	(67,384)
Non-controlling interest	<u>2,751</u>	<u>2,009</u>
Loss after income tax attributable to the owners of OneMarket Limited	<u>(21,475)</u>	<u>(65,375)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>103,929,134</u>	<u>99,149,224</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>103,929,134</u>	<u>99,149,224</u>
	Cents	Cents
Basic earnings per share	(20.66)	(65.94)
Diluted earnings per share	(20.66)	(65.94)

The financial results for the period ended 30 September 2018 were restated to correct the accounting treatment of a Westfield payment to OneMarket for certain employee incentives.

Refer to Note 2 for a further description of the restatement.

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 20. Share-based payments

During the financial period ended 31 March 2019, One Market employees and certain service providers received Restricted Stock Unit ("RSU") awards over ordinary shares in OneMarket Holdings, Inc. common stock pursuant to the 2018 Equity Incentive Plan. The RSUs awarded confer a right to an equivalent number of shares in OneMarket Holdings, Inc. upon vesting.

Note 20. Share-based payments (continued)

For RSU awards made to the majority of employees during the financial period ended 31 March 2019, vesting occurs after both of a time vesting condition and a liquidity event condition has been satisfied ("Dual Vesting RSUs"). The time vesting condition will be satisfied over a 4-year term with the condition satisfied as to 25% of the award on the first anniversary of the date of grant and then monthly on a pro rata basis over the following three years. The liquidity event condition will be satisfied when OneMarket Holdings, Inc. undergoes a change in control or conducts an initial public offering of its common stock. Any plan participant who ceases to provide services to OneMarket prior to full vesting of the award will forfeit any RSUs as to which the time vesting condition has not been satisfied, and any RSUs as to which the time vesting condition has been satisfied as of the termination of the participant's service will remain eligible to vest if a liquidity event occurs before the deadline specified in the participant's RSU agreement. If a liquidity event does not occur by such deadline, the then- unvested portion of the participant's award will be forfeited.

The KMP and certain other members of OneMarket's senior executive team received RSUs that are subject to time-based vesting conditions only ("Time Vesting RSUs"). Time-based vesting takes place in equal quarterly instalments over a 4-year period.

For the period to 30 September 2019, a total of 161,609 RSUs vested (31 March 2019: 361,786 RSUs). OneMarket withheld 43,415 of these shares in exchange for the payment of income taxes due on the vested shares. Withheld shares are returned to the 2018 Equity Incentive Plan pool and are eligible to be re-allocated to employees through future awards.

As at 30 September 2019, a total of 2,118,885 RSUs were outstanding (31 March 2019: 2,706,414 RSUs).

For the half-year ended 30 September 2019, OneMarket recognised a net gain of US\$354,000 (being the reversal for RSUs expected not to vest less the expense for the period) related to the awarded RSUs (period ended 30 September 2018: net expense of US\$2,026,000). OneMarket withheld \$158,000 of the vested shares in exchange for the payment of income taxes due on the vested shares.

Set out below are summaries of RSUs granted under the plan:

Grant date	Expiry date	Balance at the start of the period	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the period
12/07/2018	12/07/2022	1,773,314	-	(56,069)	(803,460)	913,785
13/12/2018	13/12/2022	183,100	-	(5,000)	(13,000)	165,100
25/01/2019	25/01/2023	750,000	-	(100,000)	-	650,000
20/05/2019	20/05/2023	-	327,000	-	-	327,000
09/08/2019	09/08/2023	-	63,000	-	-	63,000
		<u>2,706,414</u>	<u>390,000</u>	<u>(161,069)</u>	<u>(816,460)</u>	<u>2,118,885</u>

Breakdown of RSU balance at the end of the period:

Dual Vesting RSUs	1,127,990
Time Vesting RSUs with no expiry date	<u>990,895</u>
Total RSU balance at the end of the period	<u><u>2,118,885</u></u>

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 OneMarket's financial position as at 30 September 2019 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

22 November 2019
Sydney

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of OneMarket Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 30 September 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, 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 30 September 2019 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter - Basis of Preparation

We draw attention to Note 2 of the half-year financial report, which describes the basis of accounting. It is the Board's intention to proceed (subject to the necessary Shareholder approvals) with an orderly winding-up of the Group prior to the year end. As a result, the half-year financial report has been prepared on a liquidation basis. Our opinion is not modified in respect of this matter.

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 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 30 September 2019 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

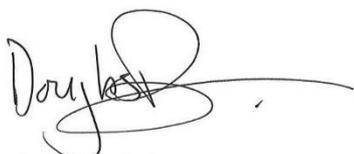
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards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

Independence

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



Ernst & Young



Douglas Bain
Partner
Sydney
22 November 2019