



ASX release

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8common moves into HR vertical with acquisition of COI

Dual Sydney and Singapore headquartered technology company 8common Limited (ASX: 8CO) is pleased to announce that it has completed the acquisition of the business and assets of Sydney-based employee survey company Centre for Organisational Innovation (COI). The acquisition will form the basis of 8common's new human resources (HR) product vertical called Perform8.

Key highlights of the acquisition include:

- Broadening of 8common's software as a service (SaaS) offering into the HR vertical;
- Addition of a highly complementary client base that is expected to drive strong cross-sell opportunities for Expense8 (the company's travel and expense management system);
- Blue chip client base of large Australian corporates, government agencies and multinational companies including 7-Eleven, BMW, Wesfarmers and Brother;
- Incorporation of a well-established brand featuring a global client footprint with over 4.5 million paid completed employee surveys since 1998; and,
- Expectations that the new product vertical will contribute more than \$350,000 EBITDA to the 8common Group for the calendar year 2015 and be earnings per share accretive from the first year.

The SaaS solution is designed to measure employee engagement as well as all the drivers that maximise employee productivity. Perform8's suite of easy-to-use online tools will assist business leaders at all levels to drive action and improvement across their organisation.

Commenting on the acquisition, COI CEO and founder Lanning Bennett stated:

"This is a very exciting opportunity for COI and its customers. Over the past 16 years our survey tools have delivered data collection and, most importantly, the development of action and improvement points tracked through to completion to a large number of very recognisable corporations globally. As a successful publicly listed company 8Common will vastly increase COI's reach and depth both domestically and globally benefiting existing customers and those in the future. But what is truly attractive about 8Common is our shared vision to ensure that we continue to develop the very best possible software to help organisations build and maintain the very highest standards of excellence. This always involves thinking differently about organisational issues and how they can best be solved. At its core, COI is about innovation.. and so is 8Common. This a great relationship and I am very excited about being part of the 8Common team as COI enters its next phase."

Commenting on the acquisition, 8common CEO Nic Lim said:

"COI is a great addition to 8common. It shares the same qualities as 8common's current businesses, that being it is a well-established business with a strong product methodology, it has a blue chip client base, and a large and growing addressable market.



“We are very enthusiastic about expanding our SaaS model further, and leveraging the cross-sell opportunities available to us. 8common will continue to serve clients globally and we are very excited to make a concerted push with this offering into the Asian region.”

Consideration for the acquisition comprises an initial upfront cash payment of \$1 million, and deferred and earn-out amounts of up to \$800,000 over calendar year 2015, plus possible additional payments for over-performance based on the calendar year 2015. The over-performance amount cannot be determined, but is not expected to be material and if required to be paid will be paid from the cash flow generated by the business.

The acquisition coincides with the appointment of Trevor Williams, who has joined the Group’s senior management team to lead the Perform8 business..

Trevor is an experienced regional business professional having previously held senior sales, corporate development and HR roles with F5 Networks, Yahoo!, and VISA. Most recently he led a business consultancy delivering talent management and change management services across the Asia Pacific region. Trevor is a Graduate of the Australian Institute of Company Directors and a Graduate of both Curtin University (Engineering) and London Business School (MBA). He will be based out of Singapore.

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About 8common Limited

The 8common Group is listed on the Australian Stock Exchange (ASX:8CO). It is an enterprise software company whose primary business is in the development and distribution of three established software solutions: Expense8, Realtors8 and Perform8. Expense8 is an integrated end-to-end travel and expense management solution used by government agencies, Australian corporates and multinationals in 8 countries. Expense8 operates on both a licence fee and transaction based business model. Realtors8 provides real estate agents and brokers in North America and Asia with a web based content management system that allows for the creation of unique websites to list property portfolios including integration with multi listing service (MLS) systems. It provides real estate agents and brokers with tools to generate leads for their property listings and to manage their customers. Perform8 incorporates the Centre for Organisational Innovation’s (COI) employee survey product to assist organisations with employee surveying and performance improvement.

www.8common.com

About Centre for Organisational Innovation (COI)

COI was founded in 1998 to pursue the development of a completely new approach to employee surveying. COI believes that a great survey must have two parts:

Part 1: Data Collection – the place where most surveys start and finish; and,

Part 2: Action and Improvement – A top down, bottom-up, organisation wide, team based data analysis, action planning, implementation and improvement process based on best practice continuous improvement principles.



Consisting of a suite of easy to use online tools to help leaders at all levels drive action and improvement, team actions are developed by each team and captured by the system. All actions are tracked through to completion. The software highlights key issues and best practice remedial strategies for each team. Leaders subsequently have all the tools they need to help their team perform at their best.

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