



ASX release

2 March 2015

1H15 Performance in-line, looking forward to traditionally strong 2H with 3 strong product lines in place and move into Asia

8common Limited (ASX:8CO), a global software product company capturing Asian growth announced its financial results for the half year ended 31 December 2014 (1H FY15).

8common delivers productivity and performance software to enterprises and professionals globally. In its core markets of Australia and North America, its clients include government agencies, large corporates, multi-nationals and individual professionals.

Review of 1H15 operations

During the 1H FY15, the Company recorded a net revenue of \$1,233,110. As at 31 December 2014, the Company held cash and equivalents of \$1,474,650. In line with the seasonality of Expense8 revenues whereby a significant portion of annual renewal revenues are collected during the second half of the year, the Company reported an operating NPAT of \$(300,408) and adjusted operating EBITDA of \$(94,606). The operating cashflow for the period was \$64,620.

8common has had a very productive half year with the successful IPO in late August. Operationally, much was achieved with product development, signing strategic relationships for Expense8 and Realtors8, undertaking due diligence on its acquisition of COI whilst ensuring the existing businesses continue to perform. We are executing on our mission as a global software product company capturing Asian growth and positioning ourselves for strong growth in coming quarters.

Results overview

A\$, Half year ended 31 December 2014	1H FY15
Net Revenue	1,233,110
Operating EBITDA	(94,606)
Operating NPAT	(300,408)
Operating Cash flow	64,620
Cash and cash equivalents	1,474,650

Expense8

During the half year, the Expense8 division was focused on entering into key strategic relationships in the travel industry and ongoing product development. Expense8 signed strategic agreements with global leaders Amadeus and AirPlus.

The strategic relationship with Amadeus will see the integration of Expense8's expense management automation tool, expense8, with Amadeus' leading online booking tool, e-Travel Management. Customers will benefit from improved efficiency and compliance by managing their travel approval, booking and expense management as an end-to-end process within a single interface.

Expense8 has been working closely with AirPlus to integrate a number of their clients onto the Expense8 system. The seamless integration between the two systems enables expense data to flow more efficiently and reduces the errors introduced to the expense system.

The completion of the revised expense product and new travel product will enable the focus for the March quarter and beyond to move to bringing on new clients and updates to existing clients. We have begun rolling out the new products and revisions from the start of the March 2015 quarter. The client response has been very encouraging.

Realtors8

Revenue was in line with expectations. Successful implementation of the Google advertising platform partnership product with Dynamic Creative was completed and initial revenue contribution has begun. In



January 2015, the Realtors8 division began its push into Asia with the on-boarding of initial clients in Malaysia. Increased marketing is expected in coming quarters and the number of Asian clients is expected to grow strongly.

Higher development costs were recorded during the period as contractors were engaged to enhance the platform and hosting infrastructure to handle increased client numbers as well as integrations with strategic partners. We have already seen the benefits with lower hosting costs and improved stability in, and scalability of, the platform.

Perform8

The acquisition of the business and assets of Sydney based employee survey and performance improvement business, Centre for Organisational Innovation (COI) was completed on 30 January 2015. This acquisition forms the core 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 product);
- Blue chip client base of large Australian corporates, government agencies and multi-national companies including 7-Eleven, BMW, Wesfarmers, Brother;
- Incorporation of a well-established brand featuring a global client footprint with over 4.5 million paid completed employee surveys since 1998;
- Expectations that the new product vertical will contribute more than \$350,000 EBITDA to the group for the calendar year 2015 and be earnings per share accretive from the first year.

During the quarter, the group also licensed a Human Capital Management offering from Microimage HCM Asia to contribute to the HR segment. This is expected to be able to be cross-sold to a number of existing clients of both the Perform8 and Expense8 divisions.

Management team

8common has strengthened its senior management team with the appointment of Jeremi Joslin as Chief Technology Officer who has significant experience in enterprise technology having worked in France, China, Vietnam and Singapore. Lanning Bennett, the founder of COI group has come on-board as part of the transition of COI into Perform8 and he is joined by Trevor Williams who will lead Perform8. Trevor is an experienced regional business professional having previously held senior sales, corporate development and HR roles with F5 Networks, Yahoo! and VISA. Trevor and Jeremi will both be based in Singapore.

Outlook

The performance in the December 2014 half year has laid the foundations for strong growth for 8common in the June 2015 half and beyond. Each division is performing in line with expectations in their base markets with growth commencing in target Asian markets. 8common confirms it is on track for its budgeted revenue as announced in August 2014 (pre-COI acquisition). The business has the management team and resources required for entry into Asia and initial clients were signed up during January 2015.

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About 8common Limited

The 8common is listed on the Australian Stock Exchange (ASX:8CO). As a global software product company capturing Asian growth, 8common delivers productivity and performance software to enterprises and professionals globally. In its core markets of Australia and North America, its clients include government agencies, large corporates, multi-nationals and thousands of individual professionals.

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