

June 2015 Quarterly Performance and Business Update

Performance and Productivity software group 8common Limited (**8common** or the **Company**) (ASX: **8CO**) is pleased to release its consolidated Quarterly Cash Flow for the quarter ended June 30 2015. Key highlights include:

- Expense8 won a competitive tender to deliver its Expense Management Solution (EMS) to the NSW Department of Education and Communities (DEC)
- Realtors8 completed its acquisition of RPM and Clicksold
- Realtors8 on like for like basis (omitting the RPM and Clicksold) grew 21% from Q1 to Q4 of 2015
- Perform8 brings new clients like 7-Eleven, Brother, Chobani and the Department of Defence to the group
- \$900,000 raised via a Convertible Note to finance the acquisition of RPM and Clicksold
- Quarterly cash flow performance very strong with customer receipts of \$1,273,000
- Full year customer receipts were \$3,210,000
- Asian market push begins with first revenues received

Commenting on the activities for the June 2015 quarter, 8common CEO, Nic Lim said 'it has been a very busy and rewarding period. The team executed well across many fronts from acquisitions and product development through to the significant competitive tender win with the DEC. These achievements together with Asian revenues beginning to generate are clear signs that we are heading in the right direction'.

Cash flow performance

Cash flows for the group are traditionally skewed to the second half of the year with the final quarter being the strongest. Net operating cash flow for the quarter was an inflow of \$391,000, which was in line with expectations, and resulted in net operating cash flow inflow of \$339,000 for the full year ended 30 June 2015. This is after 8common has started to invest in the growth platform for the business with investment in product and enhancing the management team.

Quarterly cash receipts from customers was very strong at \$1,273,000 (40% of full year receipts), bringing the cash receipts for the full year ended 30 June 2015 to \$3,210,000.

Expense8

During the quarter, the Expense8 division won the tender to deliver the Expense8 EMS solution on a software as a service (SAAS) basis to support the NSW DEC Purchasing Card Solution. The initial 3 year (extendable for another 2 years) contract will see up to 10,000 card holders use the solution. According to the NSW DEC's Director of Business Service Operations, Barbara Soiland: "This tender replaces the current highly manual and time-consuming administrative process. Through this tender, the Department sought the benefits of automation, user friendliness and scalability. Expense8 successfully won the contract following a standard NSW public sector tender process to find the best possible provider."

The client response to the updated solution has been very encouraging with clients like Woolworths, SIMS Metal and Amcor expanding geographic and feature coverage. The momentum is expected to continue and Expense8 is in a great position given its blue chip client base and revised industry leading product suite.

Realtors8

The completion of the RPM and Clicksold acquisition was for a maximum of CAD\$850,000 made up of CAD\$617,000 upfront and deferred and ear-out amounts subject to future performance target of a maximum of CAD\$232,500. The acquisition improves the product offering and expands the Realtors8 client base by another 1,000 subscriptions. The integration of the RPM and Clicksold businesses have been completed



smoothly with significant cost synergies and revenue benefits expected to be delivered in the coming quarters.

Customer receipt contributions for the quarter ending 30 June 2015 which included 2 months of RPM and Clicksold was \$403,656. On a like for like basis, the existing Realtors8 division collected an all-time high at \$307,310 compared to the previous quarter performances of \$289,890 (Q3), \$284,461 (Q2) and \$253,881 (Q1). The business has consistently grown and comparing the Q1 vs. Q4 numbers would show a growth of 21%.

Asian based revenues have begun modestly and the interest in the Realtors8 offering is strong.

Perform8

The core product of the division is from the asset acquisition of the employee survey and performance improvement product, Centre for Organisational Innovation (COI) on 30 January 2015. Product development has been a key focus for the team with resources invested to revise the existing product based on the well established core methodology. The renewed product is expected to be completed very soon.

During the quarter, Perform8 continued to deliver its solution to enterprises including 7-Eleven, Chobani and Brother. Sales and marketing efforts are being ramped up over the next quarters in tandem with the completion of the product update.

Outlook

The performance and growth of customer receipts in the June 2015 quarter has enabled the group to deliver a respectable full year result, whilst still having made investments to facilitate the future growth of the business. The growth momentum is expected to continue given the investments made to date in the group's product suite, geographical coverage and management team. The strong results are also a reflection of operational and leadership capabilities to identify, acquire, integrate and grow the businesses.

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About 8common Limited

The 8common Group is listed on the Australian Securities Exchange (ASX:8CO). Its enterprise Performance and Productivity software products support government agencies, large corporates, multinationals and professional verticals (i.e. Real Estate) globally. The 3 primary products are 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 services (MLS) systems. It provides real estate agents and brokers with tools to generate lead 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.

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