

June 2016 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 30 June 2016. Key highlights for the quarter up till the date of this release include:

- Record quarterly cash receipts were \$1,438,000
- Full year cash receipts increased 30% to \$4,157,000, surpassing earlier guidance of \$4 million
- Expense8 continues strong growth off the back of Federal Treasury and Transport for NSW wins
- Leadership appointments at Expense8 working well and delivering
- Perform8 building momentum on partnerships
- Realtors8 cash receipts grew 37% (year on year)
- Quarterly cash flow performance on budget and in line with expectations
- \$200,016 placement completed during the quarter

Commenting on the 2016 financial year achievements, 8common CEO, Nick Gonios said ‘the demand for our types of products and solutions is growing strongly. Our efforts and earlier investments have been rewarded by notable client wins and a robust opportunity pipeline. We will continue to make investments to capture these opportunities and deploy resources to deliver our product solutions.’

Cash flow performance

As we continue in our growth investment phase, net operating cash flow for the quarter was an outflow of \$268,000, which was in line with expectations. This quarter delivered stronger customer operating receipts of \$1,438,000 compared to \$1,273,000 for the same quarter last year, a 13% improvement, despite the increasing proportion of clients paying monthly, rather than annually.

Historically the June quarter has seen significant annual payments billed and received. As clients migrate to the new Expense8 product and move from an annual platform fee to a monthly platform subscription and transaction fee, cash receipts and revenue recognition is affected. We expect this to continue and the short-term effects of this transition are being managed. The positive effects such as termed out contracts (typically between 3-5 years) and increases in client spend provide for better revenue from both a qualitative and quantitative standpoint. The group cash position at the end of June 2016 was \$332,000.

Expense8

Monthly Recurring Revenue (‘MRR’) increased by 67% for the June 2016 Quarter when compared to the June 2015 Quarter.

Expense8 continues to win customer SaaS migrations with Federal and NSW State Government departments including AEC, Federal Treasury and Transport for NSW agreeing to take up the new product offering. Our Customer Success team continues to deliver proactive value in solving our customers’ needs.

Commenting on the performance of Expense8, Nick Gonios said “I’m pleased with the momentum we’re building with expense8’s brand presence together with more customer wins in 2016. It’s great to have a growing list of customers becoming expense8 advocates.”

Our modular approach with expense8’s product roadmap execution is presenting more new opportunities across enterprise and government markets. The travel pre trip approval module will be a focus for the next



stage of growth. Furthermore, we continue to explore new partnership opportunities across Asia Pacific with expense8 and travel approval markets.

Perform8

With the successful release of perform8 v2.0 enterprise SaaS solution into the market this quarter, Perform8 has entered the next stage of transformation being the growth phase. Several existing Perform8 customers have transitioned to this new product release and we continue to gather momentum with migrations from the previous version of the product.

There are several new partnerships being formed which aim to drive the next stage of growth. Commenting on Perform8 for this quarter, Nick Gonios said "I'm delighted that we have released the new perform8 SaaS solution and that we are receiving strong validation from our customers and prospective partners."

Realtors8

With Realtors8's team relentless focus on customer success, this quarter was focused on ubertor's product roadmap and platform enhancements. Future platform releases aim to drive greater value to our realtor customers and growing based of partners across North America.

Cash receipts for the quarter ending 30 June 2016 was \$483,417. Off the back of a positive previous quarter, on a like for like basis, the existing Realtors8 division collected an all-time high compared to the previous year's comparative quarter performance of \$379,711 (resulting in a 27.3% year on year increase).

Commenting on the performance of Realtors8, Nick Gonios said "Realtors8 continues to build on its organic growth with several new partnerships including Top Producer, a subsidiary of Newscorp across North America. These opportunities aim to drive diversified revenues and greater geographic reach into new markets.

Outlook

8common plans to continue investing in our enterprise SaaS sales, marketing, and customer success teams as we have entered the growth phase of the employee productivity business. We aim to continue to build, grow and diversify the quality revenue book value with more successful multi year SaaS based subscription agreements with new and existing customers.

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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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