

Product validation and record annual and quarterly cash receipts in FY2016 cements the path for FY2017

Performance and Productivity software group 8common Limited (**8common** or the **Company**) (ASX: **8CO**) is pleased to release its results for the 12 months ended 30 June 2016 (FY16). Key highlights include:

- Revenue increased to \$3,680,907 (FY15: \$3,439,548)
- Cash receipts at \$4,157,153 (FY15: \$3,210,000)
- EBITDA loss of \$706,917 (FY15: \$514,707 profit)
- Loss after tax for the year of \$1,352,626 (FY15: \$10,851 loss)
- Cash at bank of \$331,558 (FY15: \$565,067)
- A total of \$1,020,748 raised comprising of \$300,000 (Convertible Note) and \$720,748 (combination of rights issue and placements)

2nd half marked by successful product delivery and significant client wins

With key product and sales milestones reached for Expense8 and Realtors8, we invested for growth with new leadership appointments and marketing initiatives. This investment in growth is paying off and has resulted in several major customer wins, a strong customer pipeline, record quarterly cash receipts, successful product implementation and acceleration of the product roadmap.

Expense8

Key highlights:

- Revenue up 8% to \$1,807,969 (FY15: \$1,671,874)
- SaaS revenue up 28% to \$735,086 (FY15: \$575,936)
- An estimated \$3,000,000 across multi-year deals won (comprised of contracted platform and anticipated transaction revenues);
- Successful implementation of expense8 at the NSW Department of Education;
- New customer wins and existing customer migrations to expense8 include but not limited to ONRSR, Roche Diabetes, Broadcast Australia, Federal Treasury, and Australian Electoral Commission;
- Federal Treasury migrates to expense8 (including Travel) and partners with expense8 to provide a shared services offering to other Federal Government agencies; and
- Established sales partnerships with corporate travel companies across Asia Pacific including QBT (part of Helloworld Ltd), Fortune Travel (Singapore) and Sunway Travel (Malaysia).

Our modular approach with expense8's product roadmap is presenting new opportunities across government and enterprise markets. Core SaaS billings grew 28% over the period and new clients wins and existing client migrations underpin strong revenue growth expectations for FY 2017.

The customer wins in the year are exciting for the growth of the business, as initial revenues are small as the client establishes usage of the product. The costs to acquire customers are borne by the Expense8 upfront and as part of on-boarding. As revenues grow with the increased usage, the high gross profit margin results in strong financial performance in the outer years.

As previously announced, FY16 saw a strong transition to the expense8 enterprise cloud (SaaS) platform from older annual contracts. This transition sees a short term revenue decline for the customer in the year of transition, before returning to a normal revenue profile in the following year. The update of the SaaS offering has seen an impact in the FY16 year.



Perform8

Key highlights:

- Revenue of \$162,912 (FY15: \$215,894)
- Key focus for the year has been on enhancement of the platform
- New perform8 v2.0 platform released; and
- Partnership program launched with several existing and new partners.

Existing perform8 customers continue to show strong interest in migrating to the new perform8 SaaS platform release and take advantage of the new team action planning and communication capabilities. There are several new partnerships being formed to drive the next stage of customer adoption or growth.

Realtors8

Key highlights:

- Revenue up 34% to \$1,709,578 (FY15: \$1,279,878)
- RPM and Clicksold fully integrated during the year
- Synergies realised over the year and are now part of the normal business operations

With both RPM and Clicksold acquisitions now fully integrated into the Realtors8 business, the growth and customer success teams are focused on driving deeper customer success and product engagement with a range of new complementary products and services. Anticipated cost savings have been obtained with a range of people, administration and technology costs that were included as part of the original acquisition now extracted from the business.

Whilst Realtors8 has delivered and continues to show significant opportunity, the Board and Management has determined that this business unit is not as strongly aligned with the direction of the Group, which is to focus on the significant opportunity in the employee productivity market, and accordingly has the intention to sell the unit.

As a result, management has transferred all of the assets and liabilities (excluding cash) related to the Realtor8 business unit from a Non-Current assets to an Asset Held for Sale. This includes the following entities:

- Realtors8 Pte Ltd
- Combustion Labs Media Inc
- Sam & Andy Inc
- 0966058 BC Ltd

Outlook

As we enter the next phase of growth, we plan to further invest in growing our sales, marketing, customer success and product teams with a focus on the employee productivity market sector. 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 (www.8common.com) is listed on the Australian Securities Exchange (ASX:8CO). 8common Group develops enterprise Performance and Productivity software products that support government agencies, large corporations, multinational organisations and specialist professional verticals. 8common comprises of three core products: Expense8, Perform8 and Realtors8.

www.8common.com