

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

- Quarterly cash receipts were \$982,000, up by 11% year-on-year
- Winning of the Department of the Prime Minister and Cabinet contract and the NSW Department of Industry
- Quarterly cash flow performance on budget and in line with expectations
- Announcement of issuance of the second convertible note was well received and is expected to strengthen the cash position. The total amount of subscriptions in the first tranche is A\$1,075,000.

Commenting on the September 2016 Quarter cash flow, 8common CEO, Nick Gonios said '8common achieved a good increase in quarterly cash receipts of \$982,000 up by 11% year-on-year. The team has continued to deliver strong customer wins and we anticipate the interest shown in the recently announced second round of convertible notes will strengthen the cash position leading into 2017.'

Cash flow performance

As we continue in our growth investment phase, net operating cash flow for the quarter was an outflow of \$133,000, which was in line with expectations. This quarter continued to deliver strong customer operating receipts of \$982,000 compared to \$881,000 for the same quarter last year, an 11% improvement, despite the increasing number of migrations of our clients from annual payment model in the prior year to monthly software as a service (SaaS) payment model in the current year.

The group cash position at the end of September 2016 was \$188,000.

Expense8

Expense8 continues to make good traction across the Government sector with great interest for the integrated expense8 travel & expense management SaaS solution. The Prime Minister and Cabinet signed a contract for 3 years plus 2 years option with a total contract value (TCV) of \$395,000. Strong focus on building the sales pipeline is a key priority and we continue to reshape the sales team with the appropriate hires.

Customer success team had a record quarter for iCMS to expense8 migrations proposal sign offs demonstrating the value our expense8 SaaS solution is presenting and anticipate delivering to our existing customers. TCV for these iCMS to expense8 migrations proposals signed off during this quarter are estimated at \$610,000 over three year plus optional three year contract terms.

Commenting on the performance of Expense8, Nick Gonios said "Over the last 18 months, the Expense8 team's focus on building and releasing an integrated online travel and expense8 management solution is starting to demonstrate real outcomes with existing and new customer wins. The positive customer feedback on its simplicity and ease of configurability is a great positive signal as we enter the next stage of growth."



Perform8

The 8common leadership team has revised the Perform8's go to market (GTM) strategy to focus on building a strong partner network starting with the Australian and New Zealand markets and then expanding into Asia with a focus on Singapore and Malaysia in the next phase, expected in late 2017.

In addition, the 8common customer success team together with our perform8 strategic partners will promote and market the perform8 SaaS product to existing expense8 customers as part of increasing our breadth and depth of SaaS product coverage with these customers.

Commenting on Perform8, Nick Gonios said "With this revised Perform8 strategy, 8common continues to focus on becoming one of the leading employee productivity SaaS products provider across the Asia Pacific region."

Realtors8

Realtor8's product, technology, sales and customer success teams continue to build on our existing base of realtor customers across North America with the appointment of two new senior team members across client development and marketing.

A strong focus for this quarter was planning stronger market presence across the United States via systematic inbound marketing initiatives. In addition, we commenced a stronger focus on increasing monthly recurring revenues (MRR) across the realtor8 product range together with the upcoming launch of version 3 of ubertor's control panel.

Due to change in 8common's strategic direction to focus on Enterprise Performance and Productivity Software as a Service offerings, 8Common confirmed the decision to divest the Realtor8 business from 8common. This process is continuing and we will update the market on progress in due course.

Outlook

8Common will continue the focus on the growth in sales to both government and commercial sectors. With the current government contracts winning streaks and the well-received 2nd round of convertible notes subscriptions, management is excited about the opportunities ahead and the business is well-positioned for future growth.

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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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