

June 2017 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 2017. Key highlights for the quarter up till the date of this release include:

- Achieved positive cash flow for the quarter;
- \$303,000 net cash inflow for the quarter, cash receipts from customers of \$1,063,000;
- \$14,000 net cash inflow for the full year, cash receipts from customers of \$4,002,968;
- \$379,000 received for R& D Tax Refund for FY16;
- NSW Department of Education goes live with expense8's card application and management platform;
- NSW Department of Industry goes live with expense8's expense management enterprise software as a service (SaaS) solution;
- Amcor, Department of Social Services, Rabobank and Landmark successfully migrated to the expense8;
- Paid the final earn out payment of \$270,000 related to the purchase of the Canadian Entities for the Real Estate division;
- Group cash position of \$383,000 at 30 June 2017.

Commenting on the June 2017 Quarter and Full Year cash flows, 8common Executive Chairman, Nic Lim said 'We are very pleased to have made improvements in the business to track towards long term positive cash flow. The positive operating cash flow for the June 2017 Quarter was assisted by the receipt of \$379,000 for R&D tax incentives.'

Cash flow performance

We achieved positive operating cash flow of \$303,000 quarter ending 30 June 2017 and \$14,000 (full year 2017) respectively. Cash receipts from customers for the quarter were in-line at \$1,063,000 and the full year cash receipts dipped 4% year-on-year to \$4,002,968. The changing cash receipts pattern is driven by the transition of expense8 clients from an annual fixed fee to a monthly platform and usage (per transaction) fee. The benefits have been an uplift in total spend and less seasonal cash flow.

The group cash position at the end of June 2017 was \$383,000. An additional SGD\$220,000 is expected within the next quarter as part of proceeds from the divestment of a 10% interest in Realtors8. A number of payments of expenses related to the month of June will be paid in the September 2017 quarter. Had they been paid in the June 2017 Quarter, the full year cash flow have been negative, however the FY17 result would have been a significant improvement compared to the FY16 year.

Expense8

NSW Department of Education (DOE) went live with the fully digital expense8 card application and management platform of its Westpac Visa corporate credit cards. A first to market solution, this enables employees of DOE to apply for their corporate credits cards online. The card management platform facilitates functions including credit limit modification, card activation and self-service employee profile management.

NSW Department of Industry (DOI) is the latest government agency to go live on expense8 with the Travel module expected to go live in coming month. Existing blue chip clients including Amcor, Department of Social Services, Rabobank and Landmark successfully migrated to expense8.



Based on feedback from clients, the expense8 business has developed a number of initiatives that enables an increasing involvement in financial aspects of travel and expense management, including card application and maintenance, procurement and cashless payments. The involvement in payments and innovative expense control techniques is likely to further increase in coming periods.

Perform8

Perform8 continues to deliver its solutions to clients and have begun to look at integration opportunities with complementary 3rd party platforms.

Realtors8

On July 6, 2017, 8common announced that it signed a Sale and Purchase Agreement to sell 10% of its realtor8's business for a total consideration of SGD\$470,000 or approximately AUD\$445,000 to Clouaron Pte Ltd (Singapore). The initial payment of SGD\$250,000 has been received and the remaining SGD\$220,000 is due on completion by 1 October 2017. The change from a full acquisition to a partial divestment is to enable Clouaron to focus on executing its planned IPO. The sale of the 10% stake implies a full value of the Realtors8 business of SGD\$4.7 million, or approximately AUD\$4.45m.

Outlook

8common will continue to scale the growth of expense8 and ultimately intends to complete the sale of its remaining interest in realtors8.

The planned product roadmap for expense8 will include card product ownership, management and payments. Therefore, the group is likely to see an increased level of fintech features in its broader product offering. The group will look to leverage its significant expertise with travel and expense management, its leading financial software platform and blue chip client base into fintech applications across card issuances and cashless payments.

The ongoing improving financial and operating metrics will ensure the group is well positioned to take advantage of the significant growth opportunities available.

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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. www.8common.com