



14 May 2018

ASX Compliance Pty Limited  
20 Bridge Street  
Sydney NSW 2000

Attn: Mr Andrew Kabega

by Email: [andrew.kabega@asx.com.au](mailto:andrew.kabega@asx.com.au)

Dear Mr Kabega

We acknowledge receipt of ASX's letter dated 9 May 2018 regarding the Company's quarterly report for the period ended 31 March 2018 lodged with the ASX and released on 1 May 2018 (the Appendix 4C).

In response to each of your questions, we advise as follows:

1. The Company expects the final quarter (April to June) of FY2018 to potentially have negative net operating cash flows although it has traditionally been the strongest quarter due to the timing of receipts and the seasonality in the contracts of various parts of the 8common Group. Full year cash receipts for FY2018 are expected to improve over the previous year. Operating cash flow will also be supported by the discontinuation of interest payments linked to the \$1.43 million convertible note, which has been fully redeemed.
2. The Company continues to assess its funding requirements in light of its business objectives and any possible investment opportunities. 8common has recently completed a \$300,000 share placement and \$1,740,125 rights issue. In addition, \$145,073 has been received via the exercise of options (total value of remaining options which can be exercised are \$1,885,071) with more being received.

The directors are very conscious of the cash flow requirements of the Company but also seek to ensure that capital is raised at appropriate valuations so as to maximise the value and benefit for all shareholders. The directors are confident of the ongoing growth opportunities with the business units of the Company.

3. The Company expects to be able to continue its operations and to meet its business objectives.

Cash at the end of the March 2018 quarter was \$329,000 and as advised above the company has received \$145,075 via the exercise of options to date with further contributions expected. This, coupled with the growth of Expense8 revenue and discontinuation of interest payments linked to the \$1.43 million convertible note, which has been fully redeemed, results in the directors' confidence to be able to continue operations and meet its business objectives.

As outlined in response to question 2 (above) the directors consider it reasonable that if required, the Company will be able to raise additional capital for the business as and when required.

4. Confirmed. The Company is not aware of any information required to be released to the market.
5. I Confirm that the above responses to the questions have been authorised and approved in accordance with 8common's published disclosure policy and have been authorised by the Executive Chairman.

The Company believes it is in compliance with Listing Rule 12.2 as it is of the view that it has access to sufficient sources of funds to meet its short term operating commitments.

Yours sincerely



Zoran Grujic  
Company Secretary

9 May 2018

Mr Zoran Grujic  
Company Secretary  
8common Limited  
Suite 803, Level 8  
213 Miller Street  
North Sydney NSW 2060

By email

Dear Mr Grujic,

**8common Limited (the “Company”): Appendix 4C Query**

I refer to the Company’s Appendix 4C quarterly report for the period ended 31 March 2018 lodged with ASX Market Announcements Platform and released on 30 April 2018 (the “Appendix 4C”).

ASX notes that the Company has reported:

- negative net operating cash flows for the quarter of \$171,000;
- cash at the end of the quarter of \$329,000; and
- estimated cash outflows for the next quarter of \$1,258,000.

It is possible to conclude, based on the information in the Appendix 4C, that if the Company were to continue to expend cash at the rate indicated by the Appendix 4C, the Company may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Company to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that the Company’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2 (a listed entity’s financial condition

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must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

### **When and where to send your response**

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 9:30am AEST on Monday 14 May 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Company's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

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You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

*[Sent electronically without signature]*

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Andrew Kabega  
Senior Adviser, Listings Compliance (Sydney)