

Transformative year to become a fintech pure-play with the successful completion of the Realtors8 sale, acquisition of PayHERO and continued growth of Expense8.

8common Limited (8common or the Company) (ASX: 8CO) is pleased to release its results for the 12 months ended 30 June 2018 (FY18). Key highlights include:

- Completion of the Realtors8 divestment;
- Acquisition of PayHERO to complement Expense8 to facilitate an Integrated Payment and Expense Management capability;
- Blockchain initiative commenced with the membership into Hyperledger;

- Revenue increased to \$3,858,003 (FY17: \$3,676,754);
- Revenue from continuing operations (primarily from Expense8) grew 24% to \$2,638,401 (FY17: \$2,119,564)
- Net Combined Loss after tax for the year of \$846,314 (FY17: \$1,353,540);
- EBITDA loss of \$301,713 (FY17: \$614,022);
- Cash receipts from operations at \$4,190,977 (FY17: \$4,003,039);
- Net operating cash outflow of \$503,807 (FY17 inflow of \$14,000);
- Post 30 June, successfully received an R&D Tax Incentive of \$225K, from the ATO;
- Cash at Bank of \$533,594 (FY17: \$382,562).

2nd half marked by surging Expense8 SaaS revenue and completion of the Realtors8 divestment

Expense8 revenues growth significantly on the back of new clients and SaaS revenue. Cash receipts grew 31% of a QvQ basis. The acquisition of PayHERO positions the group to deliver an integrated Payment and Expense Management offering.

Expense8

Key highlights:

- Revenue grew 24% to \$2,638,401 (FY17: \$ 2,038,761)
- SaaS Revenue increased 56% to \$1,610,696 (FY17: \$1,028,956)
- Successful new client wins include the National Disability and Insurance Scheme (NDIS) Quality and Safeguards Commission, Federal Court of Australia, NSW Department of the Premier and Cabinet, Service NSW and Torres Strait Regional Authority;
- Existing customer migrations to expense8 include but not limited to NSW Office of the Director of Public Prosecutions, Fremantle Media and University of Canberra, with over 90% of existing customers now migrated to the expense8 platform;
- Federal Government and expense8 shared services offering to other Federal Government agencies gaining momentum across multiple shared service centres.

Core SaaS monthly recurring and transaction based revenue grew 56% (see below for unaudited management accounts for FY18) from \$1.03M to \$1.62M due to a combination of new clients and increased usage by existing clients.

The Travel and Credit Card application and maintenance platforms are expected to fuel further growth as additional clients are on-boarded. Revenue models are similar across all platforms with implementation fees and SaaS based monthly platform and transaction fees.

Realtors8

Key highlights:

- Successful completion of the sale of the Realtors8 to Clouaron Group Berhad (Clouaron) for approximately \$4.6m (based on the latest foreign exchange rates) comprised of \$470K in cash (already received) and shares in Clouaron which were received on 7 August 2018;
 - approximately \$1.53M in shares not subject to escrow;
 - approximately \$1.53M placed in voluntary escrow until 30 June 2020;
 - approximately \$1.04M additional payment which is subject to an EBITDA Guarantee and adjusted in accordance with the terms of the Realtors8 SPA, due to be issued in April 2020.

Outlook

8common has completed a transformative year with the successful sale of Realtors8, acquisition of PayHERO and acceleration of growth in Expense8.

8common via the combination of Expense8 and PayHERO is on a path to delivering an integrated enterprise Payment and Expense Management platform to both new and existing clients.

For further information please contact:

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About 8common Limited

8common is listed on the Australian Securities Exchange (ASX: 8CO). With a focus on financial technology, the groups core product expense8 delivers Travel & Expense Management (TEM) and Card Application & Management to large Australian enterprises including Woolworths, Broadcast Australia, Amcor and State and Federal government agencies including the Federal Department of the Prime Minister and Cabinet and the NSW Department of Education.