

Q1 September 2018 Quarterly Performance and Business Update

Fintech group 8common Limited (**8common** or the **Company**) (ASX: **8CO**) is pleased to release its consolidated Quarterly Cash Flow for the quarter ended 30 September 2018.

Key Company highlights for the quarter up till the date of this release include:

- Expense8 quarterly SaaS revenue +21% Year-on-Year to \$465K;
- Expense8 cash receipts +11% Year-on-Year to \$738K;
- Largest provider of Expense Management Solutions (EMS) to NSW Government to more than 60 Agencies and 66,000 users;
- 18 new NSW Government agencies go live on Expense8 EMS (Expense Management Solution);
- 1st NSW Government Agency goes live on the Travel platform, more agencies expected to follow suit;
- Federal Department of the House of Representatives sign up for Expense8 (EMS and Travel);
- Shares in Cloudaron Group Berhad received for settlement of sale of Realtors8 and \$98K received from the disposal of Cloudaron Group Berhad Shares;
- \$225K Research & Development tax credit was received;

Commenting on the September 2018 Quarter and sale of Realtors8, 8common Executive Chairman, Nic Lim said “This is an important milestone as we have completed the consolidation of our operating focus to become a focused fintech group. We look forward to supporting Realtors8 as a significant shareholder of Cloudaron. Expense8 is expected to continue growing cash receipts and drive the group to operational cash surplus. Payhero will deliver new opportunities in the B2B payments space leveraging Expense8.”

Cash flow performance

The Company recorded a net cash outflow of \$374K for the period. Net operating cash outflow was \$287K. Various one-off or annual payments related to the completion of the Realtors8 sale, advisory fees, annual audit costs, ASX fees and deferred directors fees were paid out during the quarter. Included within staff costs are payments totalling \$84K during the quarter relating to a payment plan for historical tax liabilities of the Group. Operating costs are expected to lower significantly in the quarters ahead due to savings associated with the disposal of Realtors8.

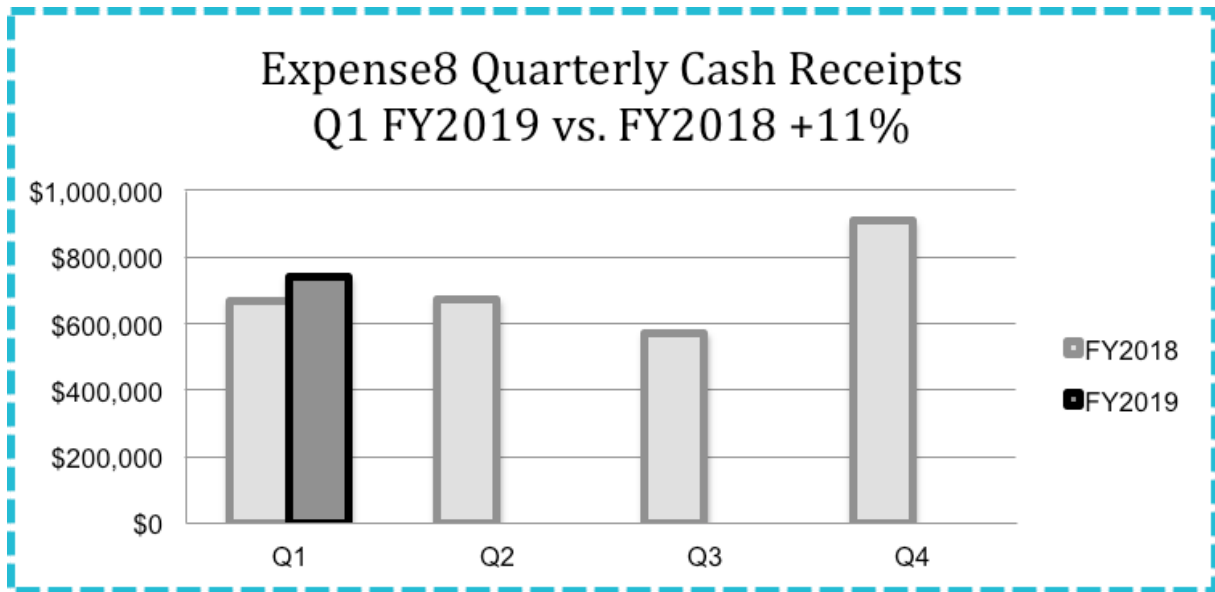
The cash position decrease from \$534K to \$205K at the end of September 2018. The company intends to lodge a claim for the R&D tax incentive for FY18, These funds are expected to be received in the March or June 2018 Quarter. In addition, the Company has had discussions with a number of option holders who have indicated their interest in the early conversion of their options, which would provide additional funding to the company. The Executive Chairman has indicated to the Board that he intends to convert at least half of his options by 15 November 2018, which would raise in excess of \$250K. \$98K was realised from the sale of Cloudaron shares and approximately \$1.4M worth of Cloudaron shares remain available for sale.

Appendix 4C Quarterly report for entities subject to Listing Rule 4.7B

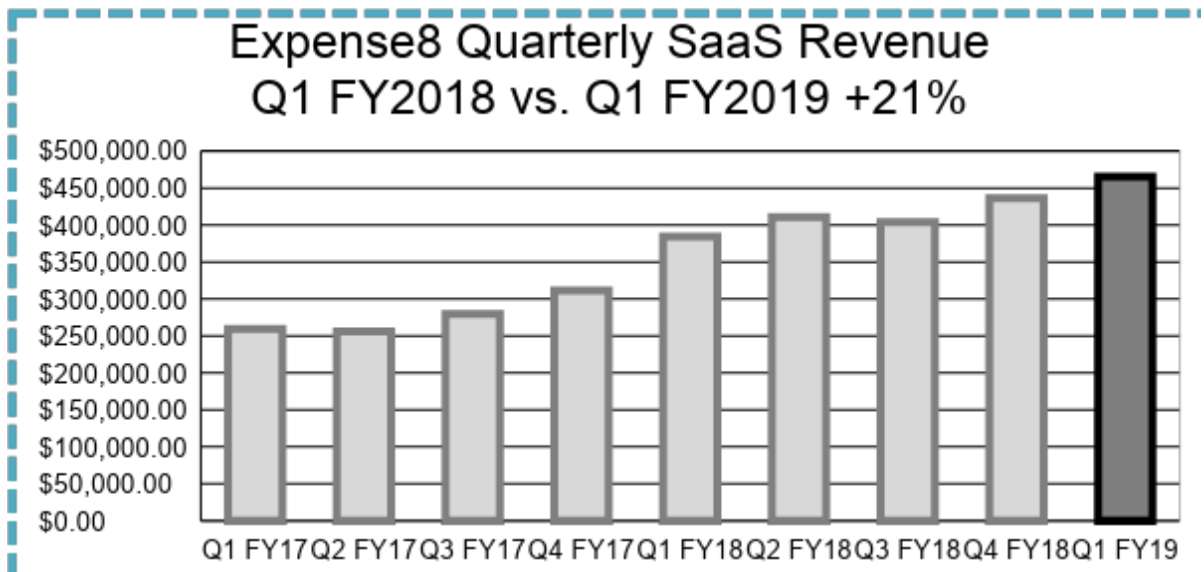
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Expense8

Record Q1 cash receipts of \$738K were achieved, up 11% on a year on year basis.



The core Expense8 SaaS (Software as a Service) revenue model is based on a combination of monthly platform, per account and transaction fees. Q1 SaaS revenue grew 21% Year-on-Year) from \$384K to \$465K. During the quarter, 18 new NSW government agencies agreed to use the expense8 platform and commenced on-boarding. Usage from some of these agencies commenced during the quarter with the remaining ones being fully on-boarded during October. These agencies will further boost revenue growth over the coming quarters as they activate their employees and those employees engage with the platform.



*FY19 Figures calculated from Unaudited Management Accounts

Appendix 4C Quarterly report for entities subject to Listing Rule 4.7B

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The 1st NSW Government agency went live on the Travel platform with more agencies expected to follow suit. Revenue models are similar across all platforms with implementation fees and SaaS based monthly platform and transaction fees.

Outlook

The Group expects customer receipts to continue to grow as new clients are on-boarded and both new and existing clients increase their usage of the various product platforms. Payhero has begun engaging clients and a number of strategic opportunities are being considered.

For further information please contact:

Nic Lim

Executive Chairman

E: nic@8common.com

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.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

8common Limited

ABN

51 168 232 577

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	751	751
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(111)	(111)
(c) advertising and marketing	-	-
(d) leased assets		
(e) staff costs	(592)	(592)
(f) administration and corporate costs	(647)	(647)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	225	225
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(374)	(374)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) businesses (see item 10)		

Appendix 4C Quarterly report for entities subject to Listing Rule 4.7B

+ See chapter 19 for defined terms, 1 September 2016

	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments	98	98
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)	(53)	(53)
2.6	Net cash from / (used in) investing activities	45	45

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	534	534
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(287)	(287)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	45	45
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(87)	(87)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	205	205

Appendix 4C Quarterly report for entities subject to Listing Rule 4.7B

+ See chapter 19 for defined terms, 1 September 2016

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	155	155
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details) Term Deposit	50	50
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	205	205

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	130
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments represent deferred Directors wages and fees for the quarter.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

None

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Appendix 4C Quarterly report for entities subject to Listing Rule 4.7B

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None

9. Estimated cash outflows for next quarter		\$A'000
9.1	Research and development	-
9.2	Product manufacturing and operating costs	(110)
9.3	Advertising and marketing	
9.4	Leased assets	
9.5	Staff costs	(440)
9.6	Administration and corporate costs	(360)
9.7	Other (provide details if material)	
	ATO Monthly Repayment Plan	(84)
9.8	Total estimated cash outflows	(994)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date:31 October 2018.....

Print name:Zoran Grujic.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to

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disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.