

Q3 March 2019 Quarterly Performance and Business Update

Record Cash receipts over \$1m for the Quarter up 87% YoY and cash flow positive achieved

Fintech group 8common Limited (**8common** or the **Company**) (ASX: **8CO**) is pleased to release its consolidated Quarterly Cash Flow for the quarter ended 31 March 2019.

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

- Quarterly Revenue +72% Year-on-Year to \$955K;
- Quarterly SaaS Revenue +8.4% Year-on-Year to \$438K;
- Cash receipts +87% Year-on-Year to \$1.066m;
- Positive operating cash inflow of \$60K;
- Expected to continue generating positive operating cash flow;
- Two additional Material contracts announced from Federal Government agencies with a total value of \$642K which will be realised in the coming quarters

Commenting on the March 2019 Quarter, 8common Executive Chairman, Nic Lim said “We are very pleased to have achieved the target of operational cash surplus within the current financial year. This significant milestone demonstrates the strength of our revenue model, which combines both monthly recurring subscriptions and transaction-based fees. We expect to continue growing our operational cash surplus as we on-board new clients and expand existing customer spend.”

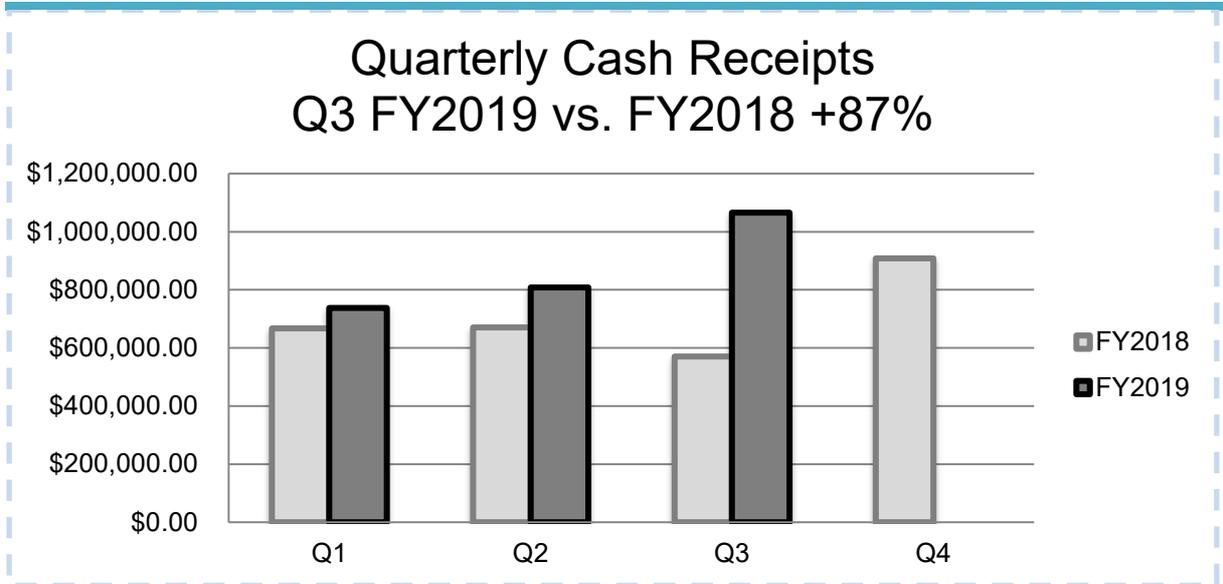
Cash flow performance

The Company achieved cash receipts of \$1.066m 87% growth YoY, net operating cash inflow was \$60K and operational costs dropped slightly. The cash position increased from \$329K to \$374K at the end of March 2019. The cash position of the Company is expected to continue improving driven by operational cash inflows from growing revenues.

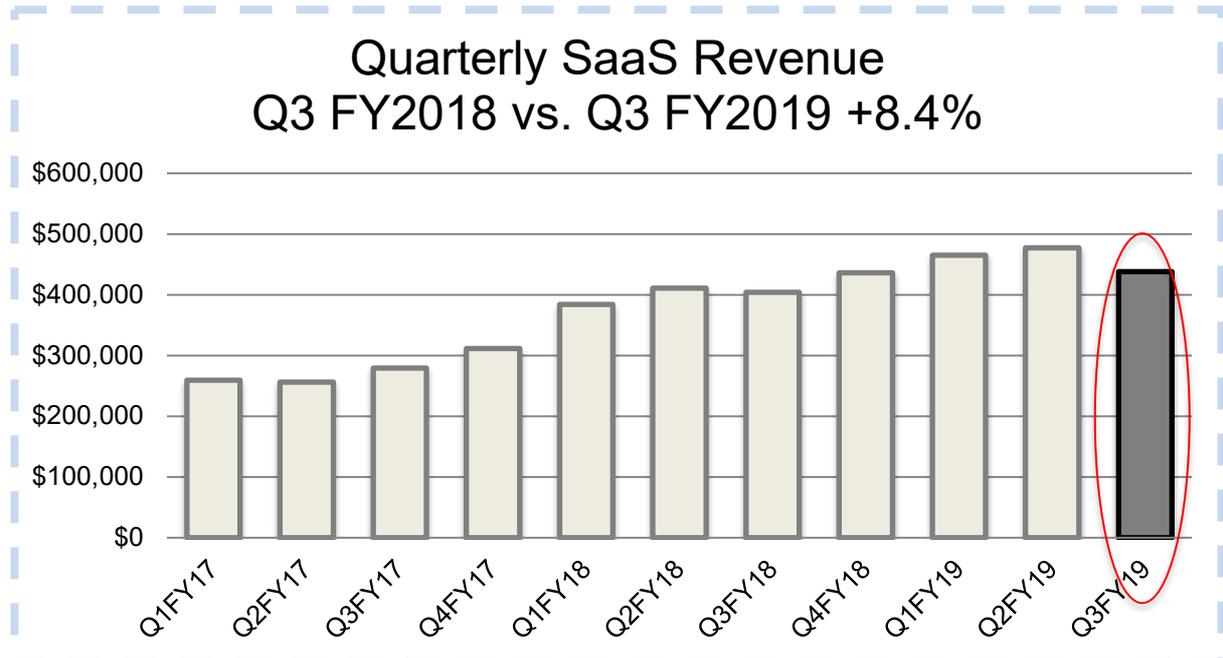
Expense8

Record Q3 cash receipts of \$1.066m were achieved, up 87% on a year on year basis.

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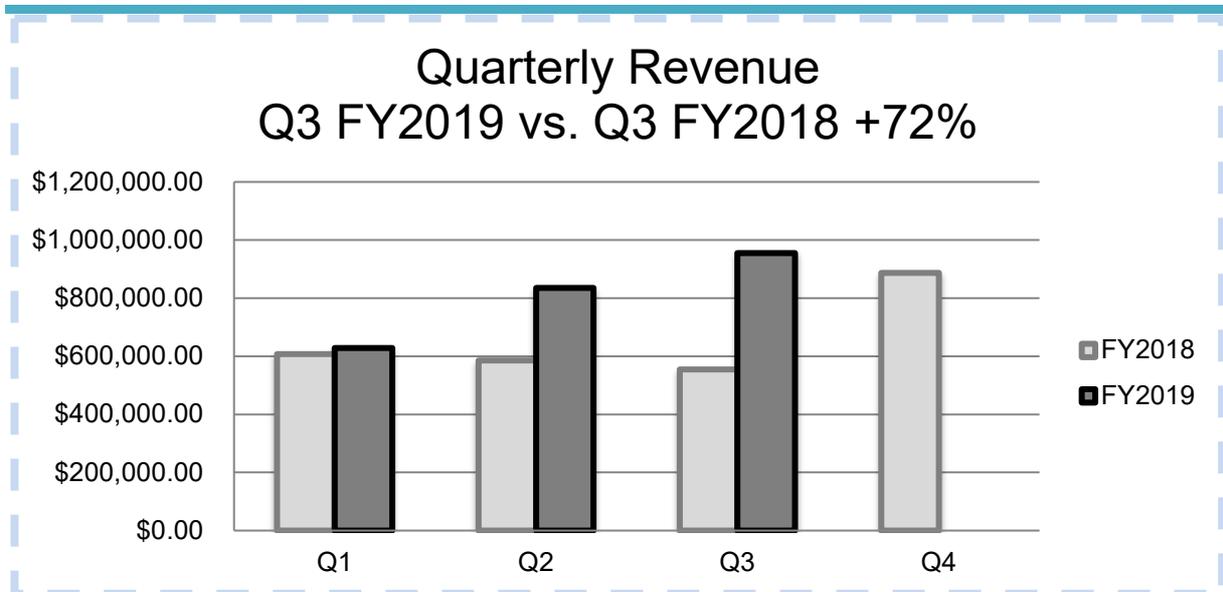


The core Expense8 SaaS (Software as a Service) revenue model is based on a combination of monthly platform, per account and transaction fees. Q3 SaaS revenue grew 8.4% Year-on-Year from \$404K to \$438K. The 3rd quarter is a seasonally slower quarter as there are fewer working days and significant general holiday periods which affect the transaction based revenues. **With Q4 generally being a seasonally higher quarter we expect a strong end to the year.** SaaS revenue numbers are expected to grow further with new clients being on-boarded and existing clients adopting the travel platform.



*FY19 Figures calculated from Unaudited Management Accounts

Material contracts from two Federal Government agencies with a total contract value of \$642K will drive revenues in Q4 as the bulk of the revenue is expected to be recognised within the June 2019 quarter.



*FY19 Figures calculated from Unaudited Management Accounts

Outlook

The Company has reached operational cash surplus and expects to continue doing so. This is driven by new customer implementation revenues and increasing usage by existing customers of the various product platforms of 8common.

For further information please contact:

Nic Lim

Executive Chairman

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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.

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

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,066	2,625
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(100)	(313)
(c) advertising and marketing	-	-
(d) leased assets		
(e) staff costs	(330)	(1,394)
(f) administration and corporate costs	(576)	(1,683)
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
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	60	(538)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		

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2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments	-	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)	(15)	(67)
2.6	Net cash from / (used in) investing activities	(15)	31

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	-	333
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	-	333

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	329	534
4.2	Net cash from / (used in) operating activities (item 1.9 above)	60	(524)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15)	31
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	333
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	374	374

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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	309	279
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details) Term Deposit	65	50
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	374	329

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter
\$A'000**

50

Payments represent Directors wages and fees for the quarter.

7. Payments to related entities of the entity and their associates

- 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

**Current quarter
\$A'000**

None

8. Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

**Total facility amount
at quarter end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

- 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.

None

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

+ See chapter 19 for defined terms, 1 September 2016

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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	(46)
9.8	Total estimated cash outflows	(956)

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:

Company secretary

Date:10 April 2019.....

Print name: Dean Jagger

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 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

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- 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.