

Record Cash receipts of \$1.5m for the Quarter and strong uplift positive cash flow of \$393K

Fintech group 8common Limited (**8common** or the **Company**) (ASX: **8CO**) is pleased to release its consolidated Quarterly and Full Year Cash Flow for the quarter ended 30 June 2019.

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

- Quarterly Revenue +18% Year-on-Year to \$1.045m;
- Quarterly SaaS Revenue +21% Year-on-Year to \$526K;
- Cash receipts +67% Year-on-Year to \$1.517m;
- Positive operating cash inflow of \$393K;
- Exercise of options which raised \$266K;
- Ending cash balance of \$1.033m;
- Expense8 awarded contracts by 2 Federal Government shared services hub agencies, Department of Industry, Innovation & Science (DIIS) and the Department of Finance (DoF).

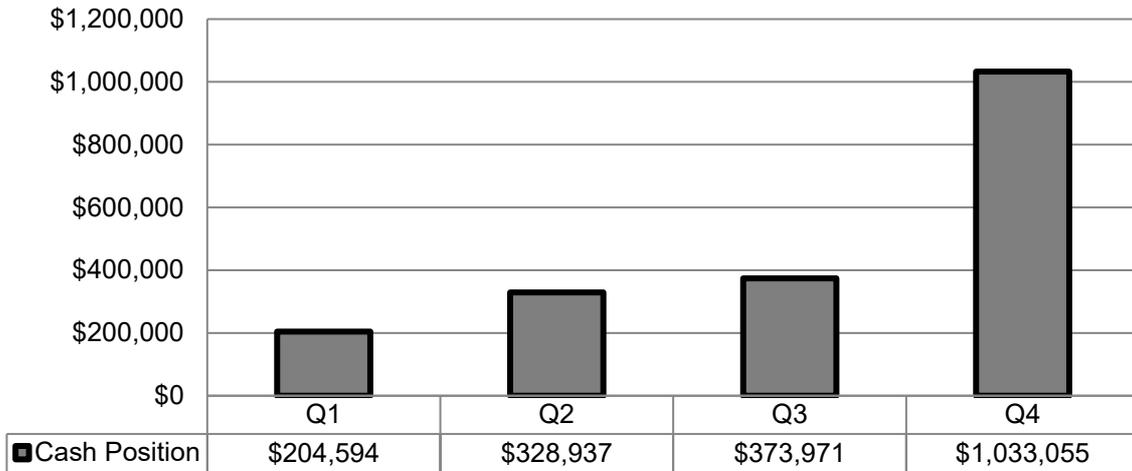
Commenting on the June 2019 Quarter, 8common Executive Chairman, Nic Lim said “We have had a stellar quarter with all performance and financial metrics in good form. Significant contracts were won which should provide continued growth for the new financial year. The cash receipts and revenue performance was underpinned by timely execution and increase in SaaS revenues. We had a strong finish to FY2019 and are very well placed for FY2020.”



Cash flow performance

The Company achieved cash receipts of \$1.517m 67% growth YoY, net operating cash inflow was \$393K. Cash in-flow from the exercise of options was \$266K. The cash position increased from \$374K to \$1.033m at the end of June 2019. The cash position of the Company is expected to continue improving driven by operational cash inflows from growing revenues.

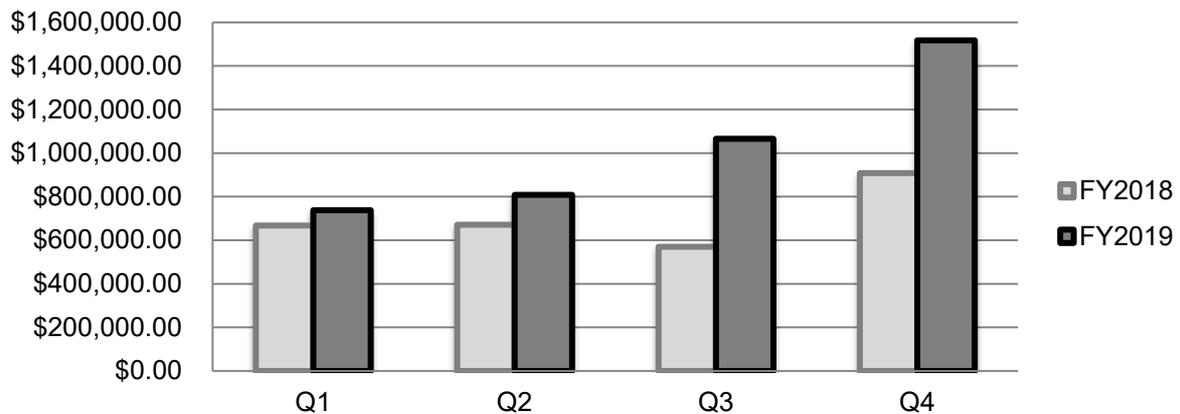
Cash Position



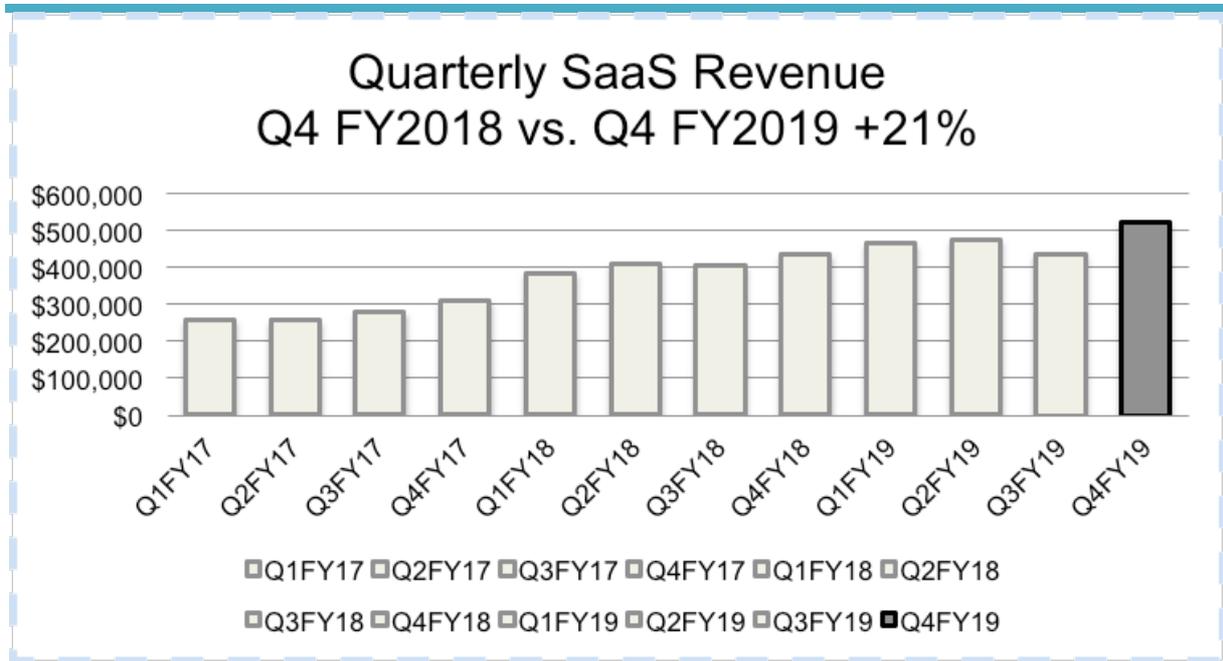
Expense8

Record Q4 cash receipts of \$1.517m were achieved, up 67% on a year on year basis.

Quarterly Cash Receipts Q4 FY2019 vs. FY2018 +67%



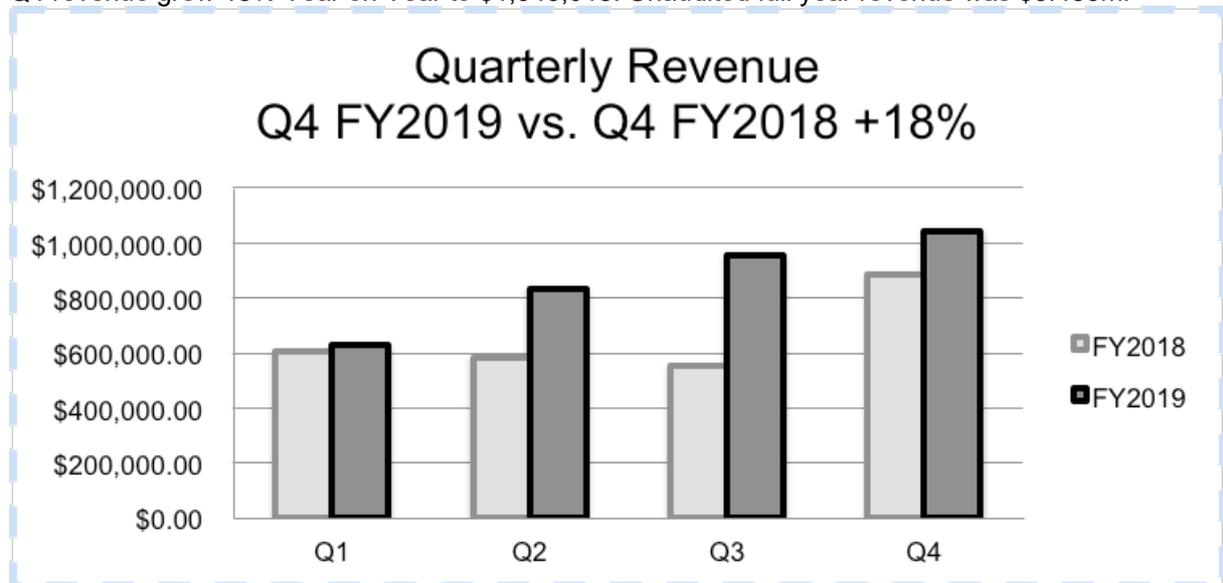
The core Expense8 SaaS (Software as a Service) revenue model is based on a combination of monthly platform, per account and transaction fees. Q4 SaaS revenue grew 21% Year-on-Year from \$436K to \$526K. SaaS revenue numbers are expected to grow further with new clients being onboarded and existing clients 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 was recognised within the June 2019 quarter.

Q4 revenue grew 18% Year on Year to \$1,045,018. Unaudited full year revenue was \$3.486m.



*FY19 Figures calculated from Unaudited Management Accounts

Outlook

The Company is well positioned having recorded a strong operational cash surplus performance and significantly increased its cash position. Growth prospects are well supported by the recent shared services hub contract wins from the DIIS and DoF.

This DIIS Shared Services hub consists of 47 agencies with over 23,000 full time employees (FTE). Six of the 47 agencies are existing clients or have committed to implementing Expense8. Existing clients include the Treasury, Department of the Prime Minister and Cabinet, Family Court of Australia, Australian Electoral Commission, DIIS and Australian Communications and Media Authority.

Whilst there is no guarantee that any or all of the 41 agencies who are not currently expense8 customers will take on the expense8 shared service provided by DIIS, there is a reasonable

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+ See chapter 19 for defined terms, 1 September 2016

expectation that a number of the agencies will. This is further supported by the fact that six agencies are already existing clients or have committed to implementing Expense8.

At this point in time, no further information with regards to the Department of Finance shared service hub contract is available in terms of number of agencies, FTE etc.

The Expense8 business model is as follows:

- 1) Implementation fees per customer (Agency):
 - Between \$50,000 - \$500,000
 - Depending on the complexity and requirement for change management consulting
- 2) Annual Average Revenue Per User (ARPU) is as follows:
 - \$18 for Expense Management
 - \$12 for Travel
- 3) Expected Annual Change Request spend per agency is between \$5,000 - \$50,000

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 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,517	4,142
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(109)	(420)
(c) advertising and marketing	-	-
(d) leased assets		
(e) staff costs	(488)	(1,882)
(f) administration and corporate costs	(527)	(2,196)
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	393	(131)
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		

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)	-	(68)
2.6	Net cash from / (used in) investing activities	-	30

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	266	600
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	266	600

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	374	534
4.2	Net cash from / (used in) operating activities (item 1.9 above)	393	(131)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	30
4.4	Net cash from / (used in) financing activities (item 3.10 above)	266	600
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,033	1,033

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	1,033	309
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details) Term Deposit	-	65
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,033	374

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	50
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 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.		

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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	(500)
9.6	Administration and corporate costs	(550)
9.7	Other (provide details if material)	
9.8	Total estimated cash outflows	(1,160)

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:8 July 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

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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.