



# Investor Update

October 2020

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# 8common

Enterprise-grade financial payments and transaction management.

Expense8 platform is a leading provider of end to end travel expense management software, card application and management.

CardHero (Corporate Payments and Funds Disbursement) and PayHero (Procurement Payments) initiatives deliver fintech payment solutions and revenue models targeting similar clients as Expense8.



Growing SaaS  
Recurring+Transaction  
Revenue



Fully accredited  
Government  
supplier



Data sovereignty

## Core Products



Leading cloud-based platform for employee travel and expense management

Corporate Expense & Funding Disbursement cards

Online payments and procurement payments



Australian Government

## Core Customers



## Enterprise SaaS + Fintech Payments



# expense8

## Dashboard

### Application



[Click here to start a new Purchasing Card Application.](#)

### \$ Expense

 View Expenses	5
 Review & Approve Expenses	0
 New Expense Claim	
 Upload Attachment/Receipt to Pool	

### Travel

 My Trips	
 Total to Submit	5
 Awaiting Approval	0
 Total to Book	0
 Finalise Past Trips	0
 New Trip	

# Q1 FY21 Review

## Growing through COVID-19

- Five new Federal Government entities signed to expense8 under the Service Delivery Office (SDO) of the Department of Finance shared services hub with a TCV of \$545k;
- Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) signed a 3-year contract (plus contract extensions) with a TCV of \$152k ex GST;
- 8common signed a 3-year agreement with EML Payments Limited to issue pre-paid Mastercard's through the Company's CardHero platform;
- Initial paid implementation work for the CardHero+ platform with an existing Expense8 client has begun subject to finalisation of commercial arrangements.



Q1 FY21 Revenue



SaaS recurring & transaction revenue



Q1 FY21 cash receipts



Q1 FY21 operating cash in-flow



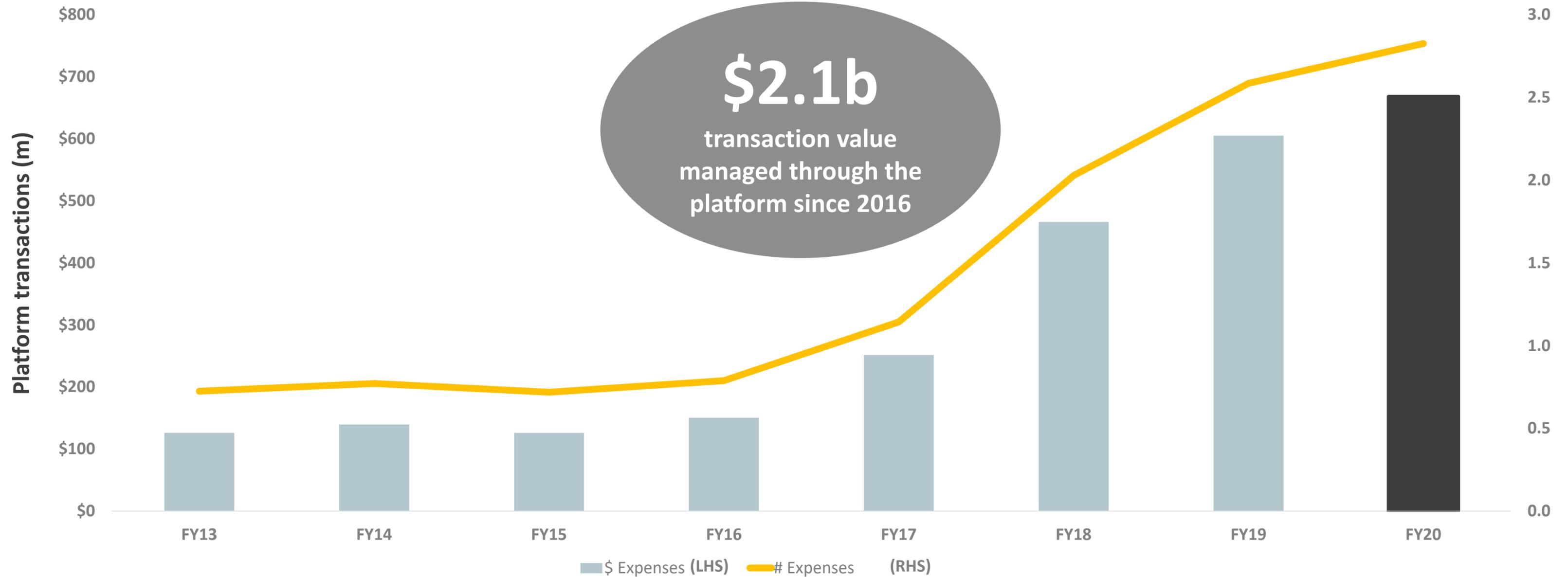
Q1 FY21 Implementation revenue +34% on pcp



Net Cash position at 30 September 2020

# Proven Performance

- 4.5x growth between 2016 to 2020 in value of transaction managed
- \$2.1 billion in transactions managed since 2016, \$616 million in FY20



# Expense8

Established player, diversified blue-chip clients

Key drivers for Travel & Expense Management:

- Straight through processing
- Procure to pay
- Increasing regulation and audit oversight

- Total 1QFY21 revenue still grew 3% vs 1QFY20
- Implementation revenue up 34% vs FY20 due to 6 new Federal Government agencies signing up for Expense8
- COVID-19 continues to impact Recurring SaaS Revenue to \$550k (holding steady and will grow in Q2 when new implementations go live)

## FY20 SaaS Revenue Split



Federal Government



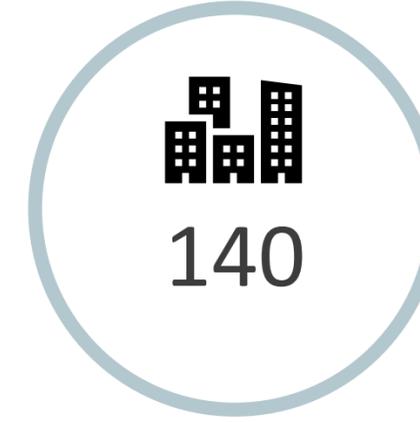
Corporates



State Governments



Platform Accounts

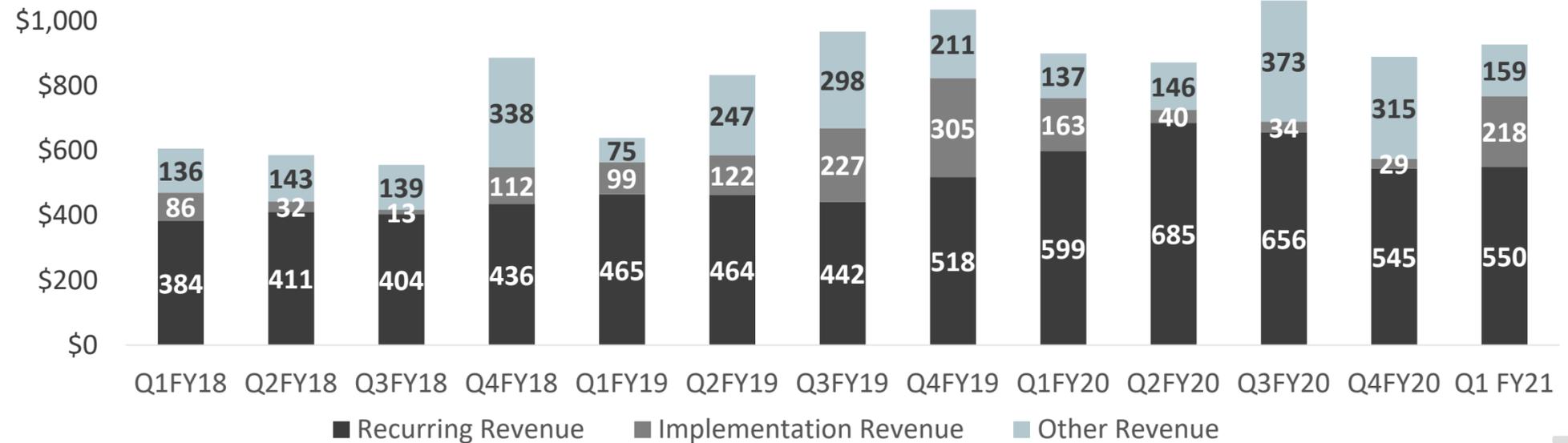


Federal and State Government Agencies



Value of transactions managed in FY20

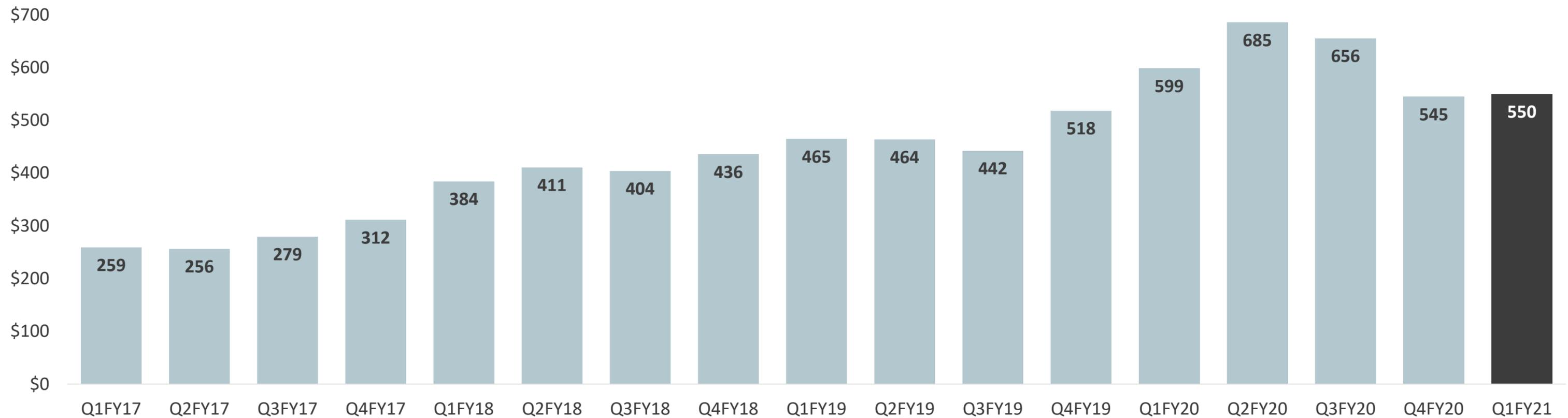
## Quarterly Total Revenue (\$000)



# Recurring & Transaction SaaS Revenue

- SaaS Revenue of \$550k continues to be impacted by COVID-19 (holding steady and will grow in Q2 when new implementations go live)
- Upgraded features around OCR and reporting will also drive increases in revenue

Quarterly Recurring SaaS Revenue (\$000)



# Expense8: positioned for growth

Globally recognised as **Market Leader** by **IDC** in its 2019 MarketScape Enterprise Travel & Expense Management Report

## Federal Shared Services Mandates

1

Department of Industry, Innovation & Science



2

Department of Finance

+40

Pipeline of Agencies to on-board

\$2.5m

Implementation on revenue pipeline

\$1.6m

Annual SaaS revenue pipeline



**FULL AUTOMATION**  
of expense process

**SECURITY AND MONITORING**  
Increased data security and monitoring



**COST SAVINGS**  
70% cheaper than purchase order process

**REAL TIME TRACKING**  
Real time audit and expense tracking



**GROWING OPPORTUNITY**  
Growing card limits NSW Purchase Card limit \$5k in 2018 \$70k in 2019

**SIGNIFICANT INVESTMENTS**  
Significant investments in system upgrades towards best of breed providers

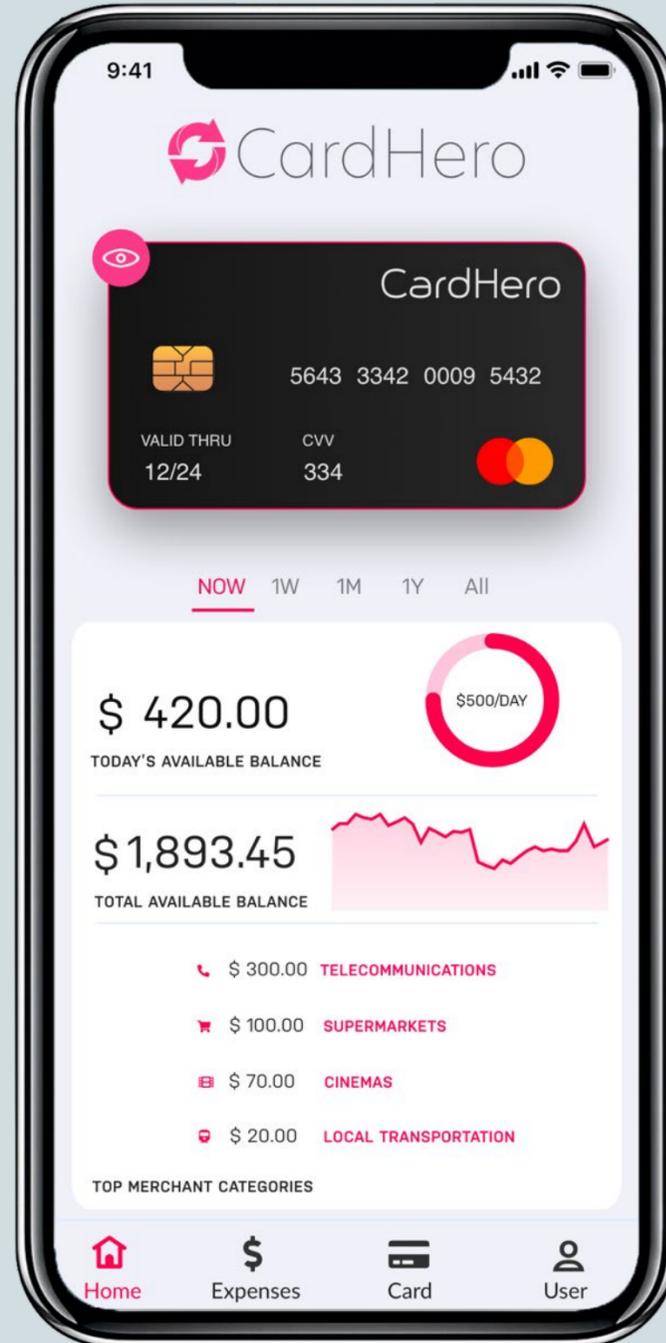




# CardHero



# CardHero



CardHero leverages 8common's significant coverage of Government and Corporate customers via its globally recognised Expense8 product platform which serves over 140 government entities as well as large corporates including Woolworths, Amcor and others.

CardHero and CardHero+ platforms have two distinctive use cases and clients in mind:

- CardHero is an integrated card payment and expense management solution targeted at government and large enterprise clients;
- CardHero+ is an integrated fund disbursement and spend management solution which can be used by not for profits and educational institutions to disburse funding and reconcile transactions.

Revenue model a combination of:

- monthly platform fee; and
  - per card per month; or
  - percentage of load fee

8CO is currently working with an existing Expense8 client on a paid implementation to roll out CardHero+.

# About CardHero

Digital pre-paid expense/disbursement cards



## PRE-PAID CARDS

Digital pre-paid expense/disbursement cards designed to enhance transparency and reduce barriers to disbursement and access to funds by employees and clients

## SIMPLIFIED FUNDS DISBURSEMENT

Manage employee/client disbursements easily with one off or multiple disbursements



## STRAIGHTFORWARD ONBOARDING

Integration with other platforms, strong self provisioning capabilities

## STREAMLINED ADMINISTRATION

Improved visibility, simplified reconciliations, ability to manage receipt photos to substantiate expenses



## FULLY DIGITISED SYSTEM

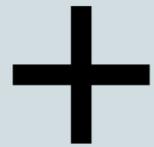
Digital card ready to go, automatic notifications and ability to require uploaded receipts

## EFFECTIVE REPORTING

Near real-time transaction reporting and fraud detection

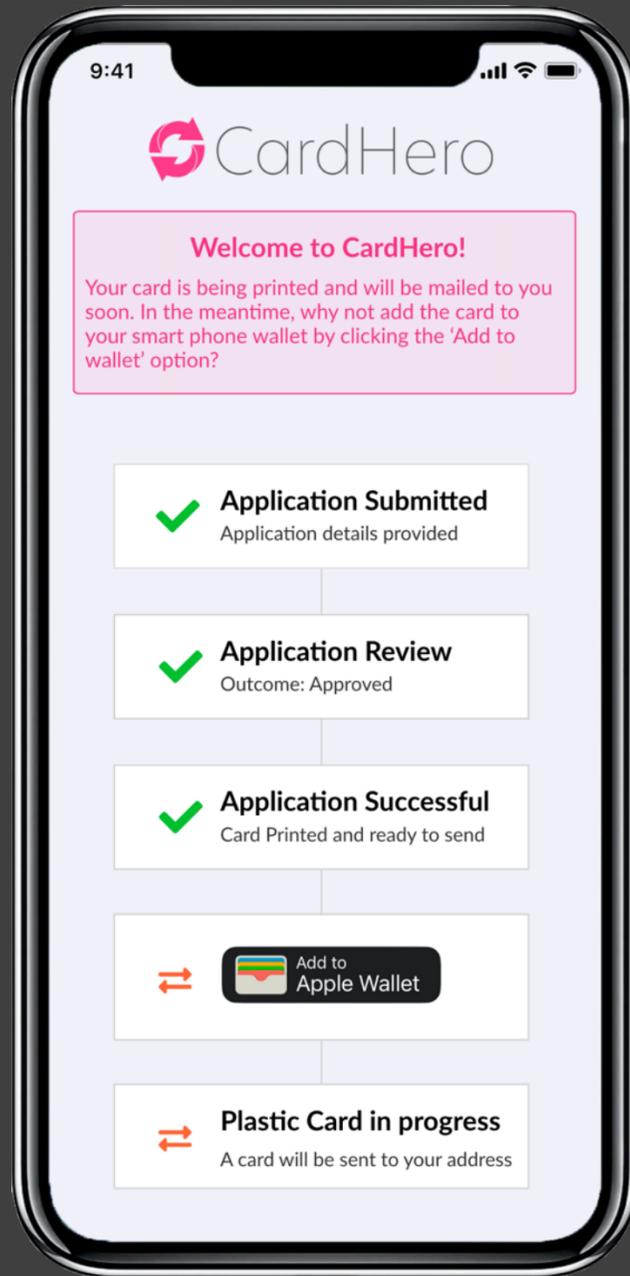


# EML & CardHero

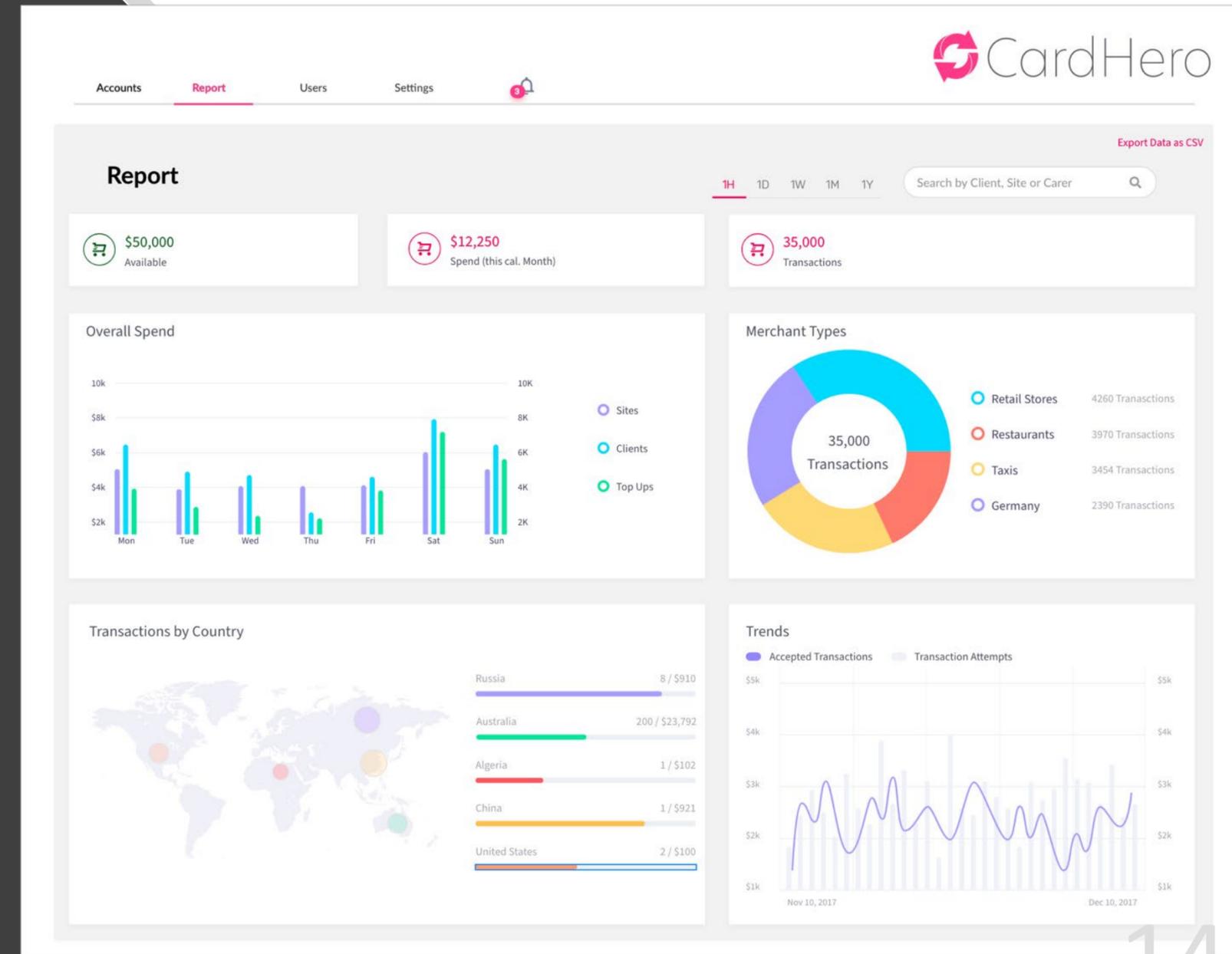


- 8common has signed a 3-year agreement with EML Payments Limited to issue prepaid Mastercard's through the company's CardHero platform
- The agreement with EML enables the launch of 8common's CardHero solution via two products: CardHero and CardHero+
- The core product CardHero, will be released as both a virtual and physical prepaid card combined with travel and expense management solutions. CardHero is targeted at government entities and large enterprise clients
- CardHero+ provides an additional fund disbursement platform which aims to support not for profit organisations and educational institutions

# Simple Applications



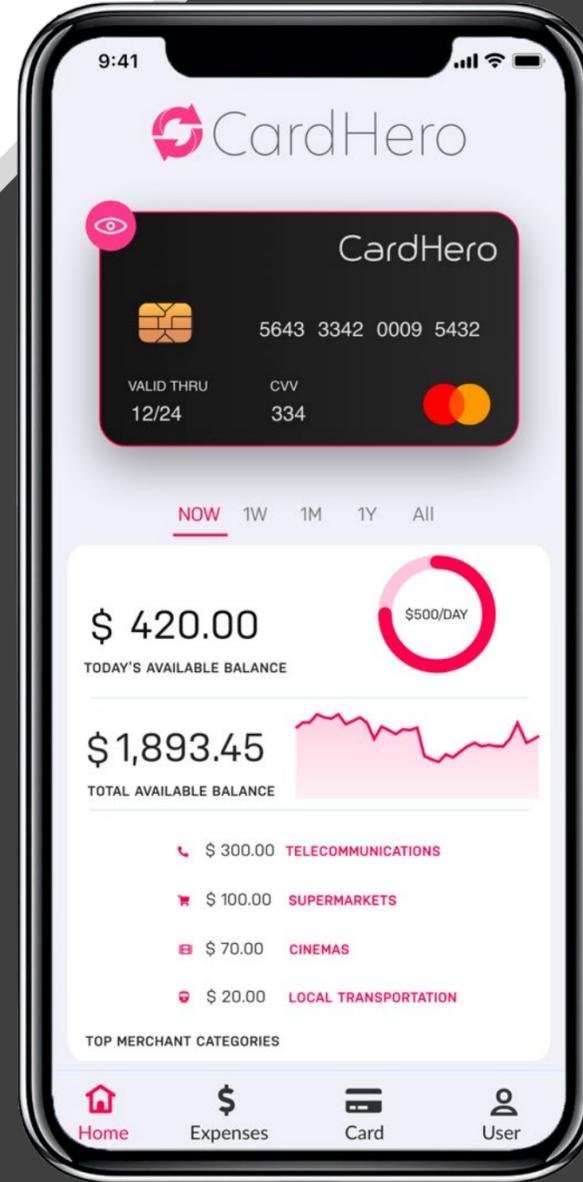
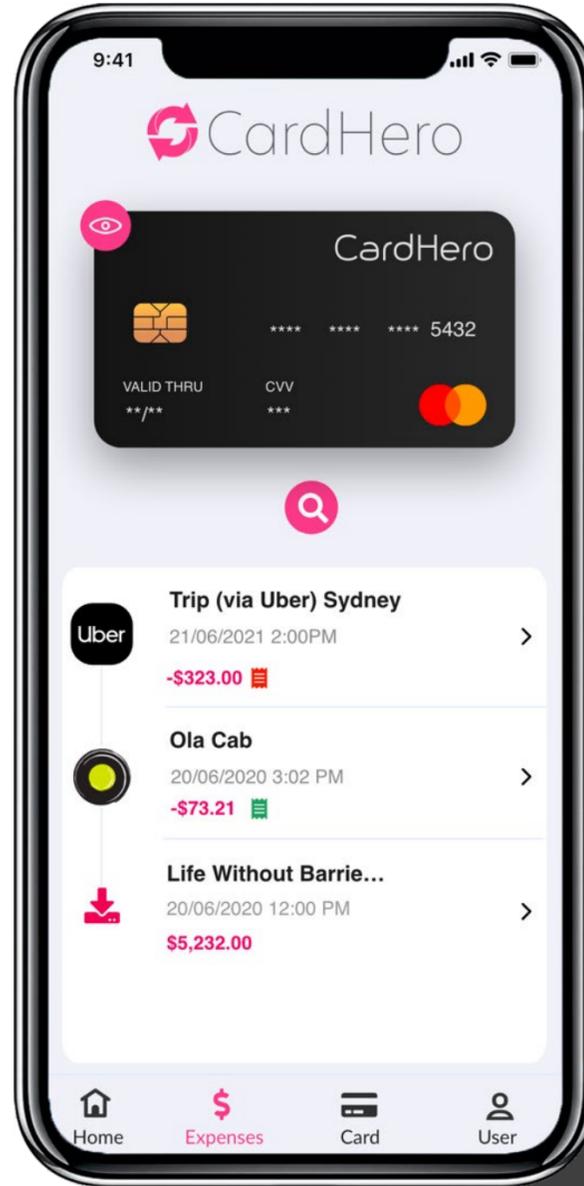
# Effective Reporting



# Employee Purchasing

Employees will be able to transact on their card with the CardHero smartphone application providing access to information such as available funds, past transactions and recent top-ups. Authorised decision makers/Client Administrators, though unable to transact, will be able to view this same information.

Employees will be able to transact on an unrestricted basis, though their transactions will be assessed by a 'fraud detection' process.



# Fund Disbursement

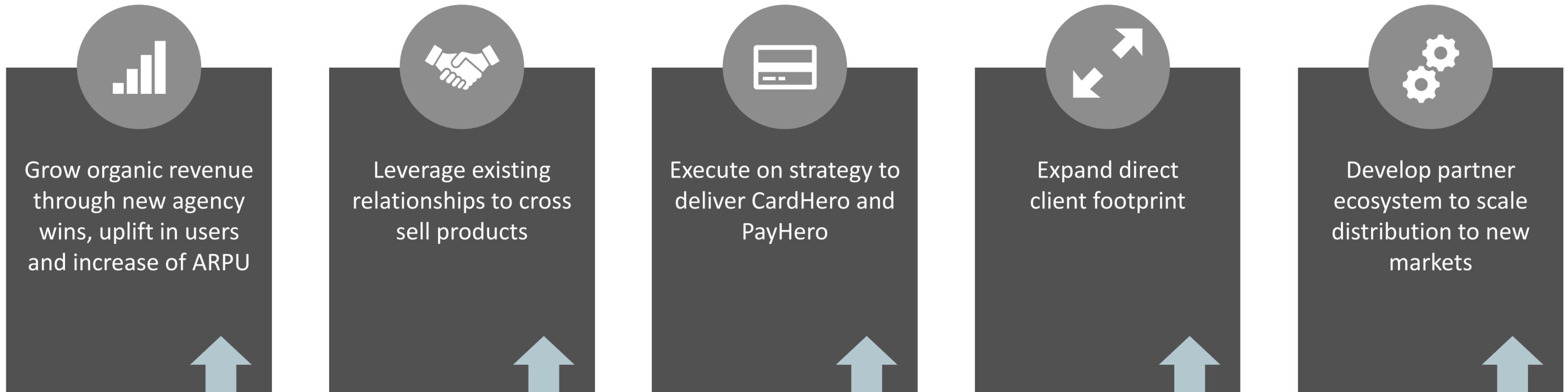
Social service clients will be able to transact on their card with the CardHero smartphone application providing access to information such as available funds, past transactions and recent top-ups. Authorised decision makers/Client Administrators, though unable to transact, will be able to view this same information.

Clients will be able to transact on an unrestricted basis, though their transactions will be assessed by a 'fraud detection' process.

# The outlook

8CO will consolidate and secure its position in **large enterprise financial payments and transaction management**

A clear focus on:





# Appendices

# Strong financial performance in FY20

- Total Revenue \$4.2 million **up 13% vs FY19**
- Total SaaS revenue \$2.5 million **up 30%**
- Cash receipts \$4.15 million **up 3%**
- EBITDA loss of \$0.43 million (FY19: \$0.66 million)
- Adjusted **profit of \$215k<sup>1</sup>** (FY19 loss: \$398k)  
Adjustments: \$388,000 deferred consideration write-off from Realtors8, \$293,273 depreciation & amortisation, \$309,060 of share-based payments
- Net cash position of **\$1.84 million**
- Total contracts signed in FY20 delivered **\$2.5 million** in contracted revenue

SUMMARY FINANCIAL RESULTS	30 June 2020	30 June 2019	CHANGE	
	\$	\$	\$	%
Revenue from subscription and transactions	2,490,484	1,922,418	568,065	30
Other revenue from continuing operations	1,268,847	1,551,757	(282,910)	(18)
<b>Total revenue from continuing operations</b>	<b>3,759,331</b>	<b>3,474,175</b>	<b>285,156</b>	<b>8</b>
R&D grant	344,936	225,438	119,498	53
<b>Total Revenue</b>	<b>4,168,349</b>	<b>3,700,922</b>	<b>467,426</b>	<b>13</b>
<b>EBITDA</b>	<b>(426,745)</b>	<b>(661,615)</b>	<b>234,870</b>	<b>36</b>
<b>Adjusted Profit*</b>	<b>215,508</b>	<b>(397,986)</b>	<b>613,494</b>	<b>154</b>
<b>Loss for the period</b>	<b>(804,089)</b>	<b>(1,356,222)</b>	<b>552,133</b>	<b>41</b>
<b>Operating cashflow</b>	<b>(201,086)</b>	<b>(130,498)</b>	<b>(70,588)</b>	<b>(54)</b>
<b>Cash and cash equivalents at period end</b>	<b>1,842,493</b>	<b>1,033,000</b>	<b>809,493</b>	<b>78</b>

\*Adjustments: \$388,000 deferred consideration write-off from Realtors8, \$293,273 depreciation & amortisation, \$309,060 of share-based payments

# Corporate Information

## Capital Structure

Share price (7-Oct-20)	A\$0.125
Shares on issue	182,917,118
Market Capitalisation	A\$22.9m
Cash (30-September-20)	A\$1.9m
Shares in Clouaron Bhd Bloomberg (CLOUD:MK)	A\$1.3m

## Shareholdings

Directors	34.42%
Top 20	67.35%

# Board & Management



**Nic Lim**

Founder & Executive  
Chairman

Founder, investor and Board member of various technology companies over the last 21 years. Co-Founded Catcha.com in 1999. Since 2007, Catcha has since spun out various Public Listed companies including iProperty (ASX:IPP), iCarAsia (ASX:ICQ) and Rev Asia (BURSA:REV). Prior to founding 8common, Nic had a career in finance with UBS, Credit Suisse and Morgan Stanley



**John Du Bois**

Independent,  
Non-Executive Director

Mr John Du Bois has had a very accomplished career. This includes 9 years at SAP culminating in the role of EVP and Managing Director South West Asia which was extended to Australia and New Zealand (Asia-Pacific and Japan) and more than 6 years at Senetas Limited (SEN:ASX) as Chairman and CEO, a leading Security Software company with a strong Federal Government client footprint



**Adrian Bunter**

Independent,  
Non-Executive Director

Adrian is an executive director of Venture Advisory, a specialist telecommunications, media and technology (TMT) financial advisory firm operating out of Australia and Asia. He has 25 years' experience in accounting, audit, and finance, as well as a broad range of corporate advisory roles ranging from debt/equity raisings, mergers and acquisitions, divestments of business and strategy development and execution, including over 16 years with PricewaterhouseCoopers



**Larry Gan**

Non-independent,  
Non-Executive Director

Larry has built a reputation based on extraordinary work ethic, strategic thinking and visionary ability. During his 26 years with Accenture, he held many global leadership roles. Since 2013, Larry has served on several boards of public listed companies in UK, Australia, Europe and Malaysia and also as Trustee of charitable and not for profit institutions. He is a Fellow of Association of Certified Chartered Accountants.



**Andrew Bond**

Chief Executive Officer

Andrew joined 8common in August 2015 and is a highly regarded and well respected leader. Prior to 8common, Andrew has held several roles in Woolworths Limited, Satori Group and AMP Limited. Andrew brings over 10 years' experience in the technology sector leading sales and marketing and technology teams.

## **Investor Relations**

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Stephanie Ottens

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Nic Lim

Executive Chairman

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