

8common Limited (ASX:8CO)

# AGM 2018

# Nic Lim Executive Chairman

- 1. Consideration of Financial Report
- 2. Resolution 1: Adoption of Remuneration Report
- 3. Resolution 2: Approval of 10% Placement Capacity
- 4. Resolution 3: Re-election of Mr John Du Bois
- 5. Executive Chairman Presentation

### AGM Presentation 2018



#### Item of Business: Consideration of Financial Report

- 1. Consideration of Financial Report
- 2. Resolution 1: Adoption of Remuneration Report
- 3. Resolution 2: Approval of 10% Placement Capacity
- 4. Resolution 3: Re-election of Mr John Du Bois
- 5. Executive Chairman Presentation

#### Item of Business: Resolution 1

- 1. Consideration of Financial Report
- 2. Resolution 1: Adoption of Remuneration Report
- 3. Resolution 2: Approval of 10% Placement Capacity
- 4. Resolution 3: Re-election of Mr John Du Bois
- 5. Executive Chairman Presentation

#### Item of Business: Resolution 2

- 1. Consideration of Financial Report
- 2. Resolution 1: Adoption of Remuneration Report
- 3. Resolution 2: Approval of 10% Placement Capacity
- 4. Resolution 3: Re-election of Mr John Du Bois
- 5. Executive Chairman Presentation

#### Item of Business: Resolution 3

- 1. Consideration of Financial Report
- 2. Resolution 1: Adoption of Remuneration Report
- 3. Resolution 2: Approval of 10% Placement Capacity
- 4. Resolution 3: Re-election of Mr John Du Bois
- 5. Executive Chairman Presentation

### AGM Presentation 2018



- 1. FY18 Performance
- 2. FY19 Outlook
- 3. Strategic Review

### FY18 Performance

#### FY2018 Financials

	FY 2017 (\$)	FY 2018 (\$)
Revenue from continuing operations	2,119,564	2,638,401
Revenue including discontinued operations	3,676,754	3,856,003
Receipts from operating activities	4,003,039	4,190,997
Cash at end of year	382,562	533,594
Cash flow from operating activities	14,496	(503,808)
Cash flow from investing activities	(47,712)	200,809
Cash flow from financing activities	78,846	469,605
Net Profit Before Tax	(1,533,920)	(1,153,922)
Net Profit / (Loss) After Tax	(1,547,868)	(1,290,488)
EBITDA from continuing operations	(876,064)	(408,590)
EBITDA	(581,022)	(334,479)

#### FY18 Highlights

#### FY2018 Highlights

- Revenue from continuing operations +28%;
- Recurring and monthly transaction revenue from continuing operations +57%
- Cash receipts from operations at \$4,190,977 (FY17: \$4,003,039);
- EBITDA loss of continuing operations \$408,590 (FY17: \$876,064);
- Group Loss after tax for the year of \$906,981 (FY17: \$1,320,540);
- Cash at Bank of \$533,594 (FY17: \$386,562);
- · Repayment of the Convertible Note;
- Rights issue raised \$1,740,125;
- Placement to sophisticated investors raised \$300,000;
- Completion of the sale of Realtors8 to Cloudaron Berhad for approximately \$4.6m (\$470K in cash and \$4.03m in shares):
  - Approximately \$1.53m in shares not subject to escrow
  - Approximately \$1.53m in shares (escrow till 30 June 2020)
  - Approximately \$1.07m potential additional earnout in shares, subject to EBITDA guarantee due in April 2020

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#### Leadership in Government



- Department of the Premier & Cabinet
- Department of Education
- Department of Justice
- Department of Finance, Services and Innovation
- Legal Aid



- Australian Electoral Commission
- Department of the Senate
- Department of Finance
- The Treasury
- Department of the Prime Minister

- Office of the Director of Public Prosecution
- Office of the Environment & Heritage
- Rural Fire Service
- Police Force
- Roads and Maritime Services
- Transport for NSW



Whole of Government

### ~120K users, 80K from gov clients

Blue-Chip corporate customer base



















Card Expenses



Procurement Payments



Cash Payments



Taxi Fleet Car Petrol



Cash Allowance Advance

manage transactions...

we help clients



Expense Management



Corporate Travel



Card
Application &
Maintenance



PayHERO Payment Gateway

via our platforms...





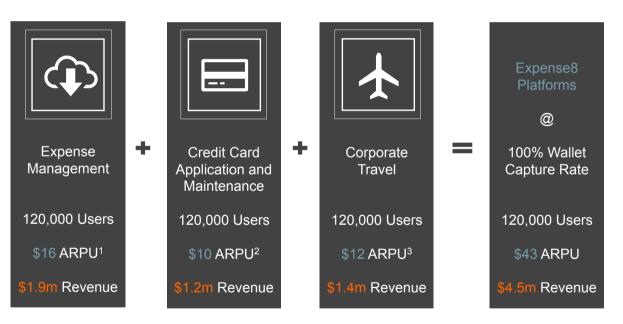


to reconcile with financial erp

FY2018 **\$1.6m** revenue from **120,000 users** in SaaS revenue. **ARPU of \$13.33** 

Upselling **120,000 users** across all platforms at **ARPU of \$43** could deliver **\$4.5m**, a **+180% increase** in revenue.

Expense8, clear path to 100-200% uplift in Existing Customer ARPU



<sup>&</sup>lt;sup>1</sup> Actual based on unaudited FY18 Expense8 June 2018 SaaS Revenue and Actual User Count

<sup>&</sup>lt;sup>2</sup> Company estimates based on client transaction patters

<sup>&</sup>lt;sup>3</sup> Actual based on FY18 Corporate Travel revenue from existing customer base

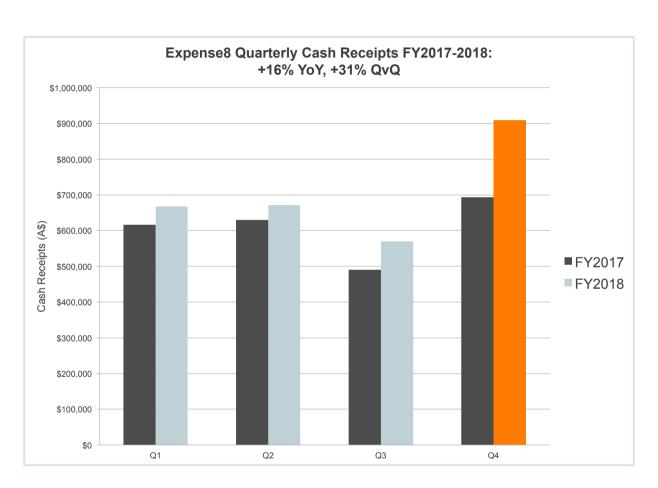
# Transitioning from moderate to high growth

- \$2.6m Expense8 Revenue in FY18.
- 29% YoY Growth in Expense8 Revenue from FY17 to FY18.
- 1H FY19 revenue growth expected to continue



Cash receipts +31% QvQ

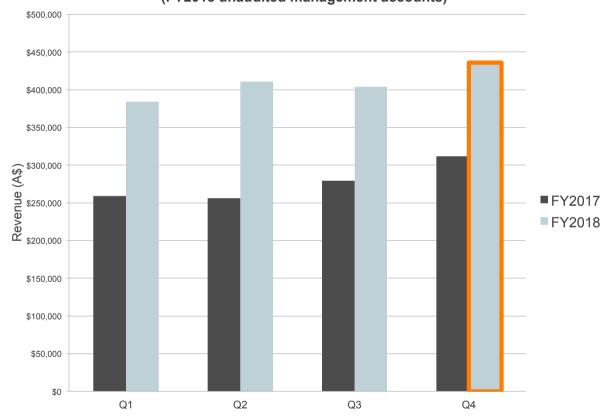
Q1 FY2019 cash receipts +11% to \$738K yoy



Revenue growth driven by our SaaS +56% YoY segment

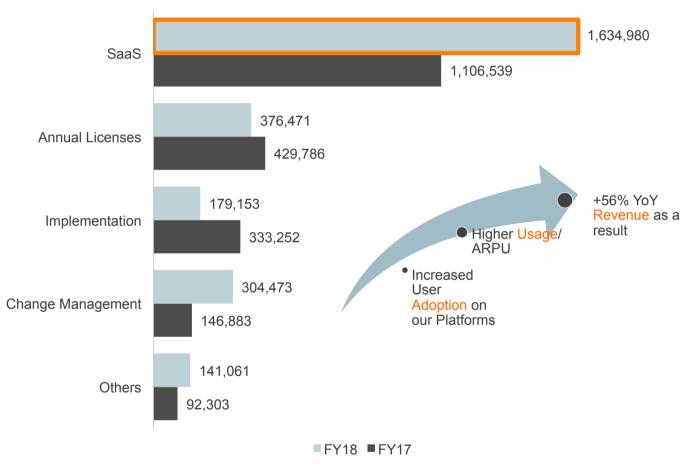
Q1 FY2019: Record quarter, grew 21% yoy





Revenue growth driven by our SaaS segment

1H FY2019
Implementation
and Change
revenue
increased due to
new client wins



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### Acquisition of PayHERO delivers blue-sky opportunity to deliver an Integrated Card, Expense and Payment Platforms



- Identity
- Transaction Approval and Access
- Application Repository

**VAULT** 



- Allowances, reimbursement
- P-Cards (e.g. Credit, Fuel):
  - Physical
  - Virtual

Wallet



#### Card Application & Maintenance

- Application Fee
- Transaction Fee



#### Corporate Travel Module

- Platform Fee
- Transaction Fee



#### Expense Management System

- Platform Fee
- Per account/user Fee
- Transaction Fee



#### PayHERO Payment Gateway

- Token Fee
- Transaction Fee
- % of transaction value



- Payment Verification
- Leveraging the Hyperledger Consortium

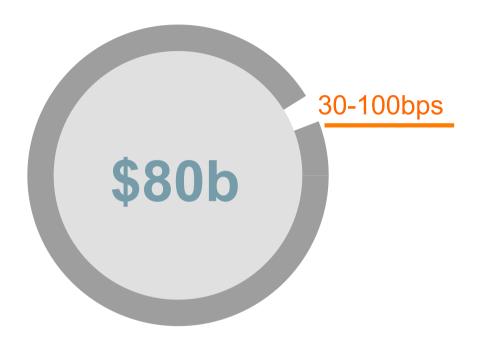
**Blockchain Enablement** 

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# PayHERO Payments Opportunity

- Processing Federal, NSW and Northern Territory
   Government procurement payments is a \$80b total
   addressable market based on the FY2017 reported
   annual procurement spend.
- Industry GDV to revenue average of between 30-100bps.
- Annual Transaction Revenue opportunity of between \$24-80m.



Federal, NSW & NT Government Annual Procurement Budget and RBA Benchmark Transaction Fee

#### Source:

https://www.afr.com/technology/nsw-government-looks-to-microsoft-artificial-intelligence-to-cut-10m-costs-20180607-h112nu https://www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/https://nt.gov.au/industry/government/sell-my-goods-and-services-to-government/buy-local-plan

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