



FY20 Results Presentation

August 2020

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8common

8common's technology solutions deliver enterprise-grade financial transaction processing for government entities and large enterprise businesses. Its flagship expense8 platform is a leading pureplay provider of end to end travel expense management software, card application and management.

The CardHero (Employee Payments and Funds Disbursement) and PayHero (Procurement Payments) initiatives deliver fintech solutions and revenue models targeting the same clients as Expense8.



Growing SaaS
Recurring
Revenue



Fully accredited
Government
supplier



Data sovereignty

Core Products



Leading cloud-based platform for employee travel and expense management



Digital pre-paid expense/disbursement cards



Online payments and procurement payments

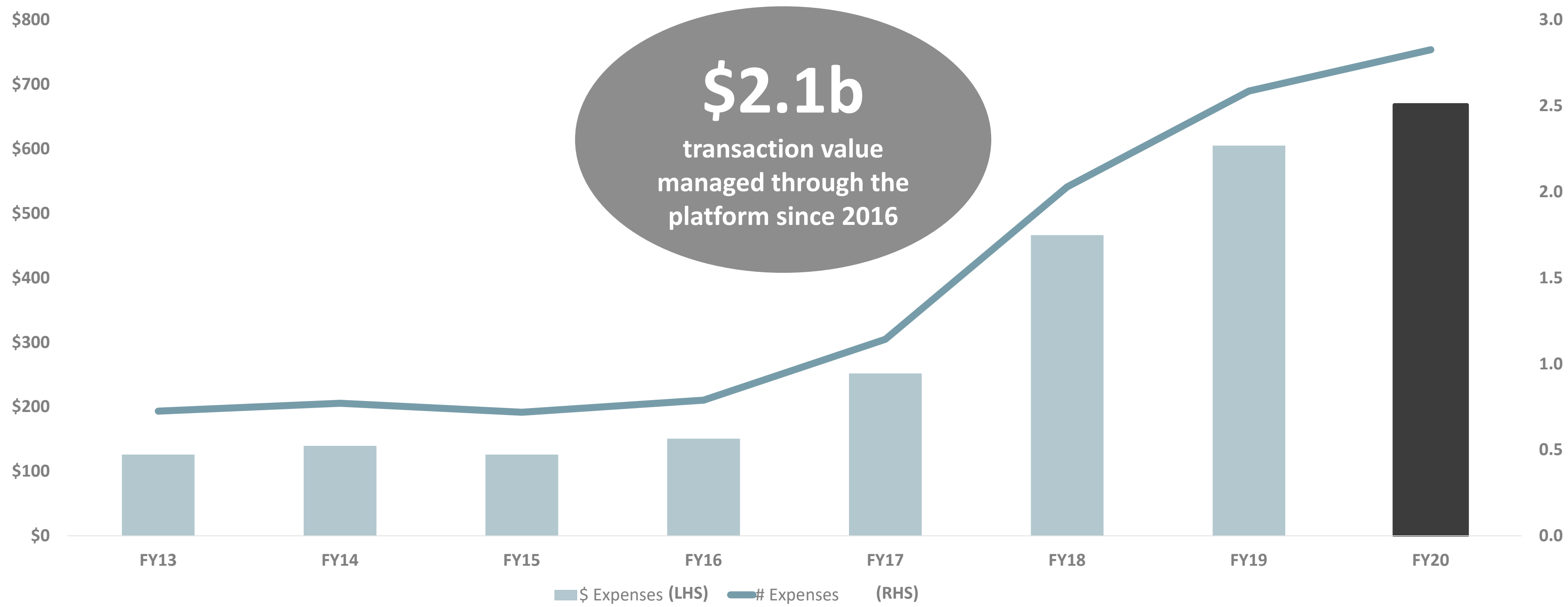
Core Customers



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 the last 12 months

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Financial overview

Record SaaS Revenue

8CO Investment Thesis

- Strong corporate footprint, leading position in Government with strong order book
- Compelling opportunities to leverage existing relationship to upsell products and lift ARPU
- Strong multi year revenue growth
- Revenue and cash receipt growth providing clear path towards EBITDA positive and profitability
- Named a Major Player in the 2019 IDC MarketScape: Worldwide SaaS and Cloud-Enabled Travel and Expense Management Applications 2019 Vendor Assessment
- New channel growth opportunities with CardHERO



FY20 SaaS recurring revenue



SaaS recurring revenue growth (FY20 vs FY19)



FY20 total cash receipts



FY20 operating cash outflow



FY20 adjusted net profit*.



Net Cash position at 30 June 2020

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

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 \$215k¹** (FY19 loss: \$398k)
Adjustments: \$388,000 deferred consideration write-off from Realtors8, \$293,273 depreciation & ammortisation, \$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

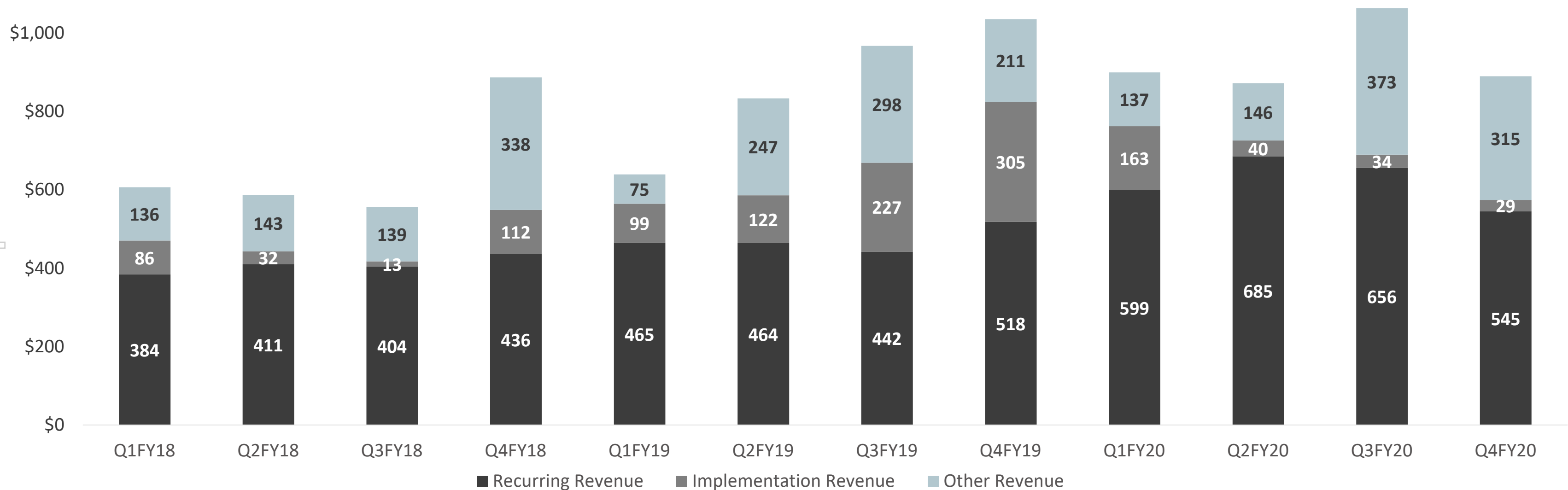
SUMMARY FINANCIAL RESULTS	30 June 2020	30 June 2019	CHANGE	
	\$	\$	\$	%
Revenue from subscription and transactions	2,490,484	1,922,418	568,065	30
Other revenue from continuing operations	1,268,847	1,551,757	(282,910)	(18)
Total revenue from continuing operations	3,759,331	3,474,175	285,156	8
R&D grant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

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

Total revenue growth

- Total revenue growth of 13% vs FY19
- Increased level of change request fees of \$890k vs \$315k in FY19 (183% increase YoY)
- Implementation revenue remained in line with prior period. FY21 has begun strongly with 6 new Federal Government agencies signing up for Expense8
- COVID-19 impacted Q4 FY20 with a drop in Recurring SaaS Revenue to \$545k (historically the strongest quarter)

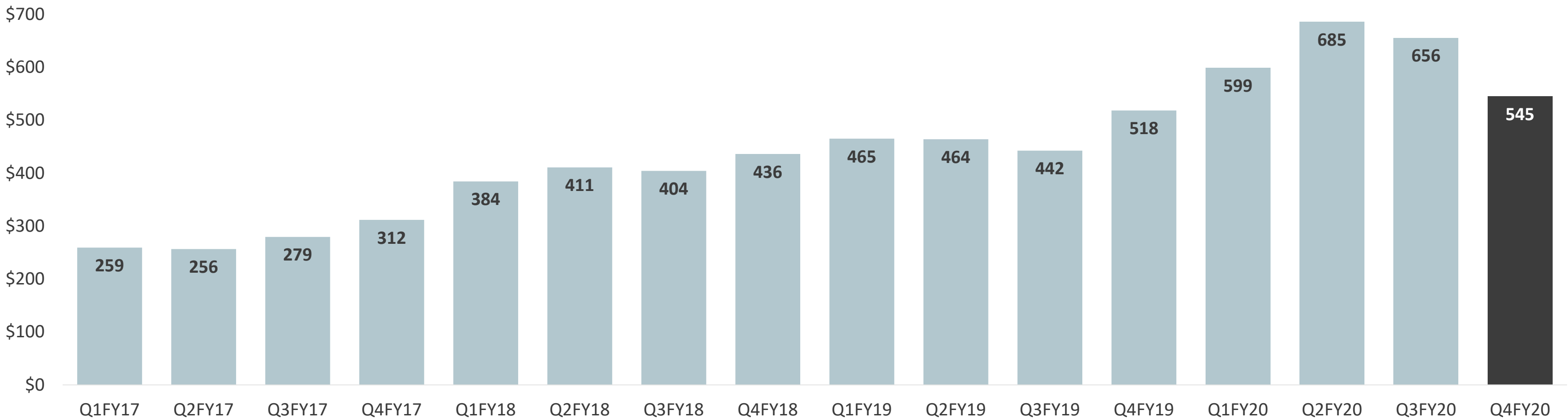
Quarterly Total Revenue (\$000)



Recurring revenue

- FY20 recurring SaaS revenue of \$2.5m has grown **29.5%** versus FY19
- COVID-19 impacted Q4 FY20 with a drop in Recurring SaaS Revenue to \$545k (historically the strongest quarter)
- New clients and recovery of activity will drive SaaS Revenue growth in FY21

Quarterly Recurring SaaS Revenue (\$000)



Operational overview

Well positioned in a growing space

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

Federal Shared Services Mandates

Department of Industry, Innovation & Science



Department of Finance



Full automation of expense process



Increased data security and monitoring



70% cheaper than Purchase Order process



Real time audit and expense tracking



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



Significant investments in system upgrades towards best of breed providers

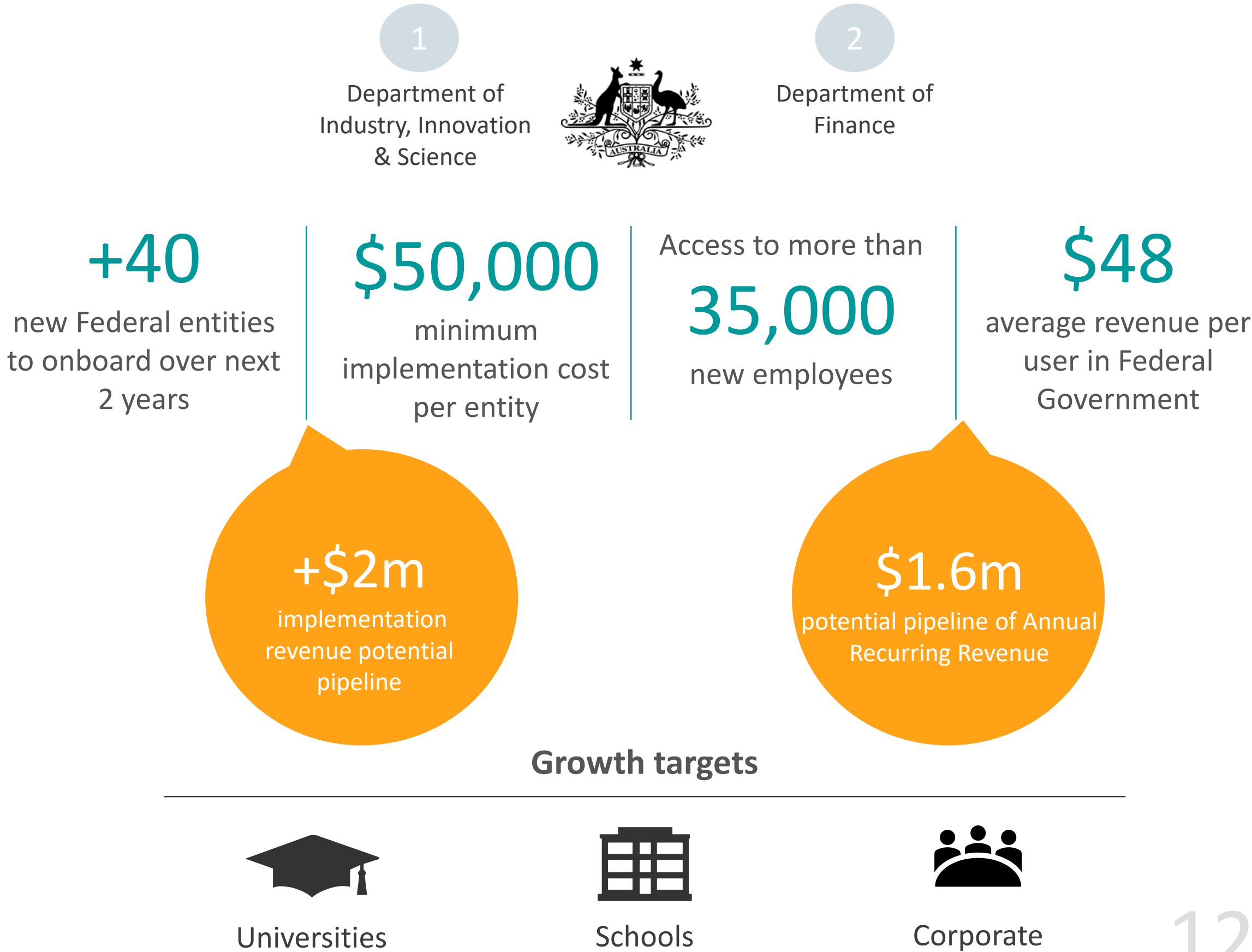
Fed Gov focus

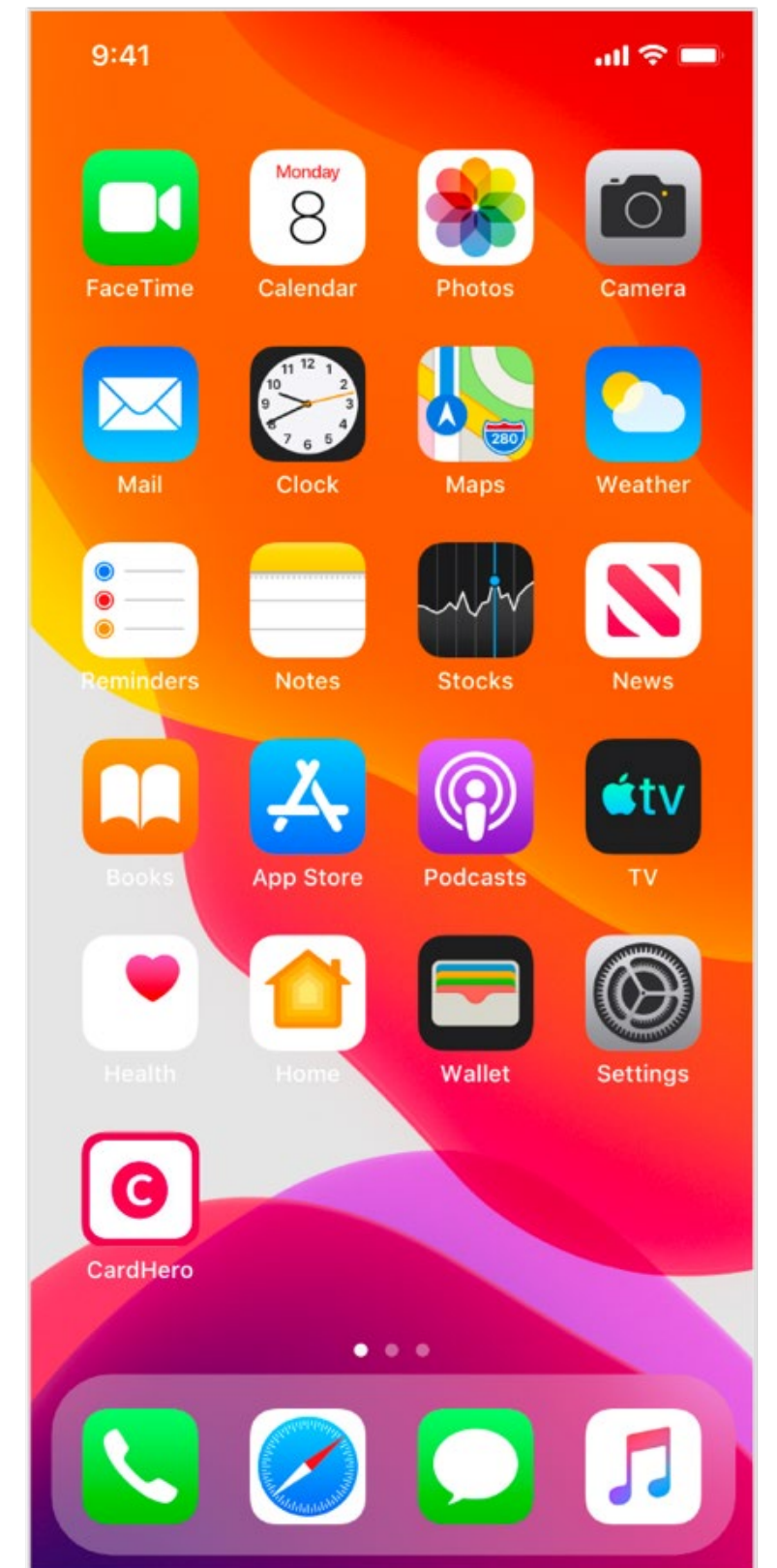
- Highly valuable and sizeable revenue base
- Global peers who succeed in gov, succeed elsewhere

Why we win

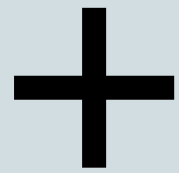
- Accredited Government Supplier
- High performance and well integrated
- Data sovereignty + Australian based Support and Implementation
- Significant portion of team has Department of Defence baseline clearance
- Recent 5 agency win from the DoF (Service Delivery Office)

Federal Shared Services






CardHero & EML



- 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


9:41





Welcome to CardHero!

We have received your details and are processing your application. A Card will be issued to you soon, after which you can start spending money.


 **Application Completed**
Application details provided

 **Verified**
Details Verified as correct

 **Card Printed**
Card Printed and ready to send


 **Card Sent**
Card being sent to your address

9:41



Activate your Card

Your new card is ready for activation. Please enter your card's EAID below.



Enter your Card's 9 digit EAID and click Activate.

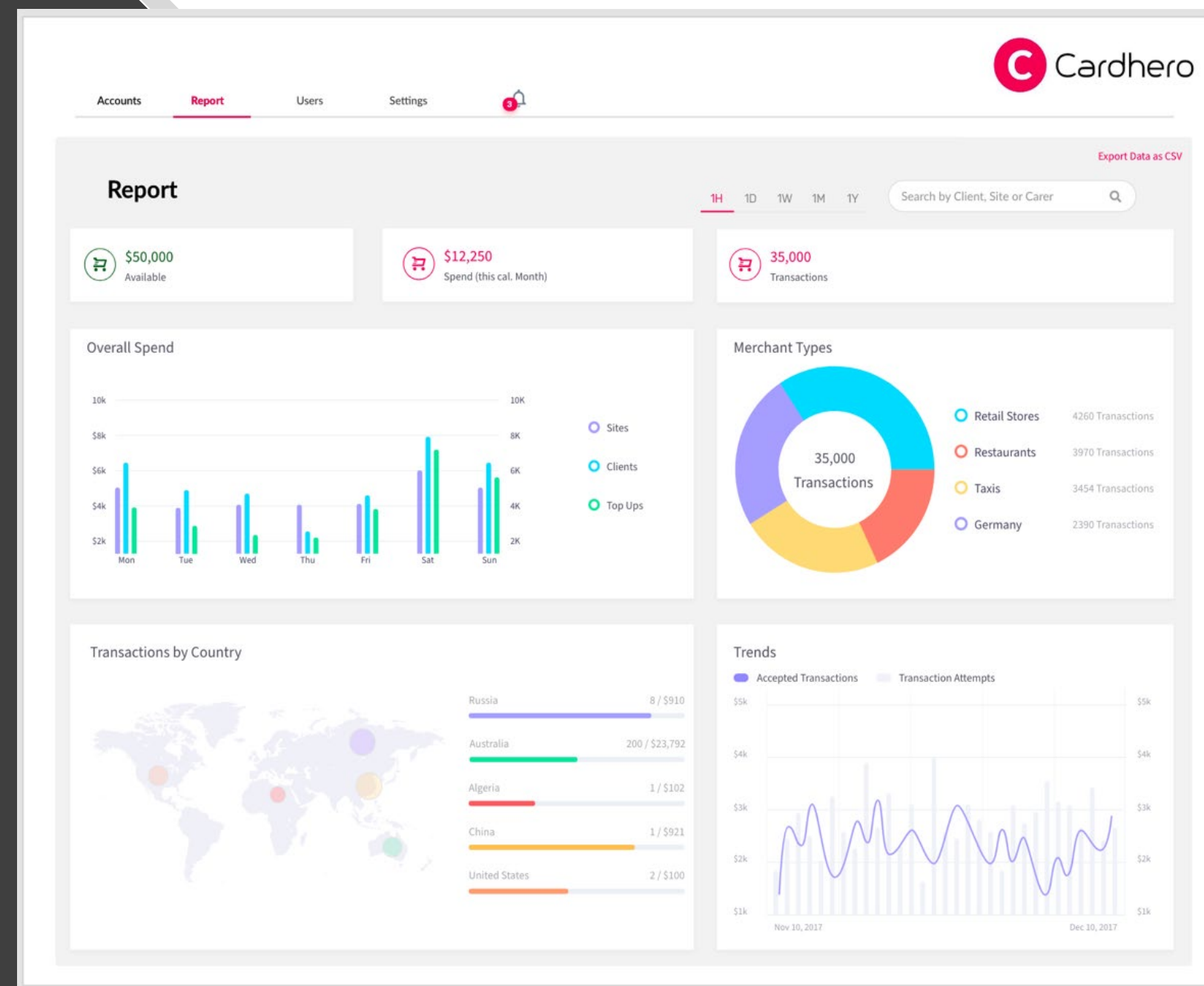
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Activate

Card Not Received

Cancel Card

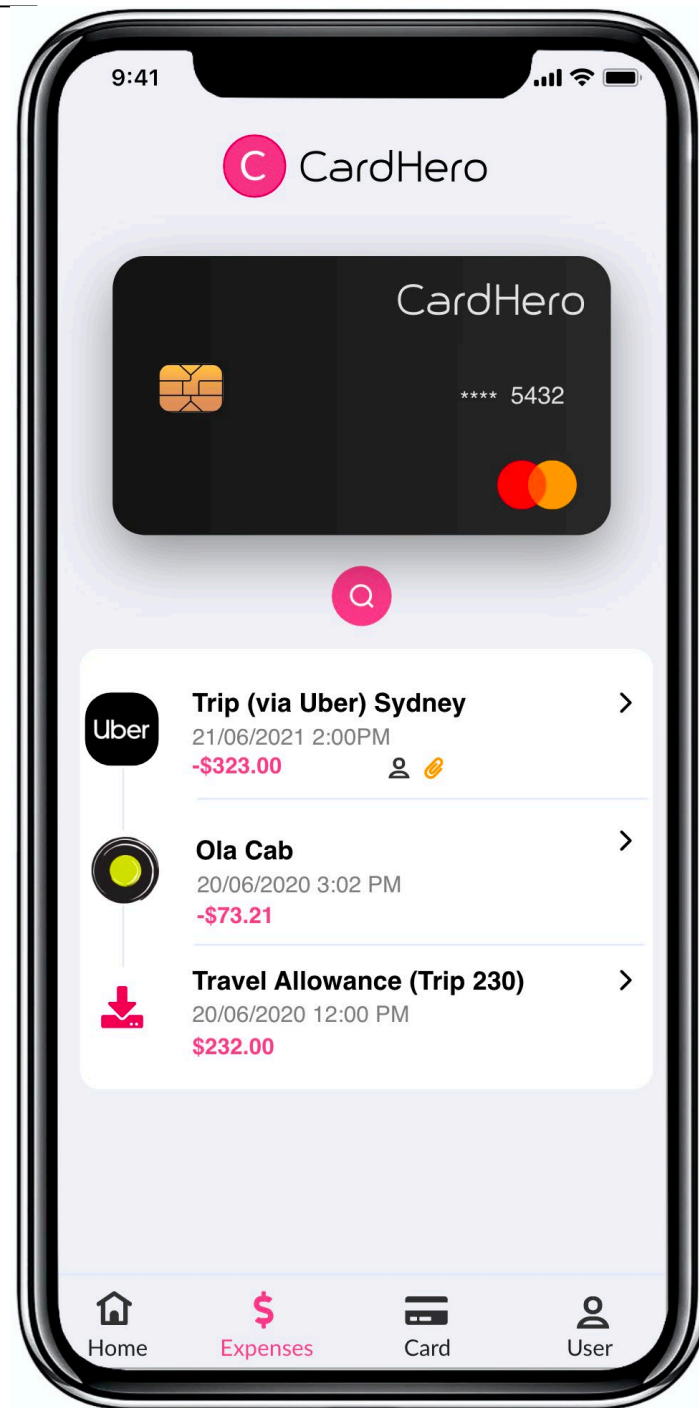
Effective Reporting



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.

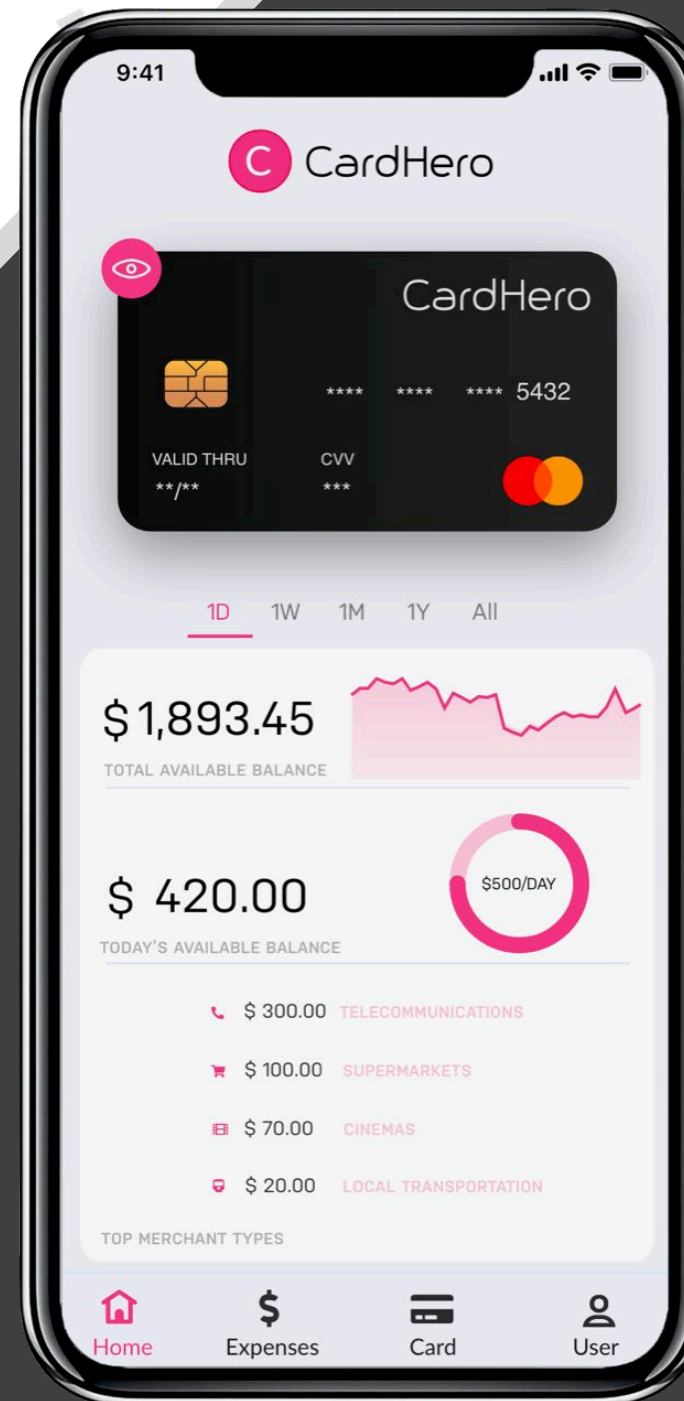
Employees will be able to transact on an unrestricted basis, though their transactions will be assessed by a 'fraud detection' process.



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 transaction management**

A clear focus on:



Appendices

Corporate Information





Capital Structure

Share price (28-Aug-20)	A\$0.115
Shares on issue	182,917,118
Market Capitalisation	A\$21.95m
Cash (30-June-20)	A\$1.8m
Shares in Cloudaron Bhd Bloomberg (CLOUD:MK)	A\$1.3m

Shareholdings

Directors	34.42%
Top 20	67.35%

Precedent Competitor Transactions

Company	Revenue at Time of Acquisition (Estimated A\$m)	Reported Acquisition Amount (Reported A\$m)	Revenue multiple ⁺
	700	8,300	11.9x
	32	262	8.2x
	7	100	14.8x
	3.7*	21.95 [#]	5.9x

⁺ multiples do not take into account net cash(debt) or surplus assets

* FY20 operational revenue for 8CO

[#] Market Cap as at 28/08/20

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 over 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 been the Group Chief Executive Officer and Managing Director of Formis Resources Berhad. He is a Fellow of Association of Certified Chartered Accountants and Certified Management Consultant.



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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