

Update on Federal Department of Industry, Innovation & Science Shared Services hub contract

Highlights:

- The DIIS Shared Services hub consists of 47 agencies with over 23,000 full time employees (FTE)
- 6 of the 47 agencies are existing clients or have committed to implementing Expense8
- The additional 41 Federal agencies (with over 18,000 FTEs and more than 12,000 corporate cards) are currently not clients of Expense8 - but can now be onboarded through the DIIS Shared Service hub
- New agency clients are expected to implement both the expense and travel platforms
- As per the May 2019 Investor update, the Expense8 business model is to charge implementation fees per customer (\$50,000 - \$500,000, depending on complexity); plus annual change requests per customer (\$5,000 - \$50,000, depending on requirements); plus annual recurring charges per user of approximately \$18 for expense management and approximately \$12 for travel

8common Limited (ASX:8CO) would like to provide a market update in relation to the 10 May 2019 announcement of the significant shared service hub contract between wholly owned subsidiary Expense8 Pty Ltd and the Federal Department of Industry, Innovation & Science (DIIS).

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 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.

8common is adequately resourced to support the anticipated implementation engagements arising from this contract.

Expense8 is a large enterprise grade suite of Card Application & Maintenance, Travel and Expense Management platforms. The platforms are configured to deliver organisational needs in tandem with their business processes and outcomes. Expense8 is delivered on a Software as a Service (SaaS) platform, saving clients money of software licencing, server maintenance and storage.

The Expense8 Corporate Travel module offers a Pre-Trip approval function to let employees easily plan and book corporate travel. The module also includes an easy and secure approval process for both managers and employees to meet sophisticated government workflows and compliance requirements.



The Expense8 business model is as follows:

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

The Treasury and Department of the Prime Minister and Cabinet were the first clients of Expense8 to adopt the Travel platform which has since become a strong revenue growth driver.

About 8common:

8common is listed on the Australian Securities Exchange (ASX). With a focus on financial technology, the groups core product expense8 delivers Travel and Expense management (TEM) and card Application & Management to large Australian enterprises including Woolworths, Broadcast Australia, Amcor and and over 117 State and Federal government agencies in Australia including the Federal Department of the Prime Minister and Cabinet and the NSW Department of Education.

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