

**Expense8 growth drives 2H FY2019 operating cash surplus delivering a strong finish for FY2019. Key Federal Government mandates won. Well positioned to scale in FY2020.**

Fintech group 8common Limited (**8common** or the **Company**) (ASX: **8CO**) is pleased to release its results for the 12 months ended 30 June 2019 (FY19).

Key financial highlights include:

- Record revenue from operations up 31% to \$3,474,175 (FY18: \$2,638,401);
- Record SaaS revenue up 17% to \$1,889,226 (FY18: \$1,610,696)
- Cash receipts from operations \$4,142,118 (FY18: \$4,190,977 includes divested asset Realtors8);
- \$130,498 net cash outflow for the full year (1H19: -\$583,158 v 2H19: \$452,660);
- EBITDA loss \$889,899 (FY18: \$301,173);
- EBITDA loss significantly reduced to \$390,278 when normalised to remove non-cash items of write-offs related to the Realtors8 divestment and share based payments;
- Loss after tax of \$1,238,966 (FY18: \$1,089,162);
- Cash at Bank of \$1,033,000 (FY18: \$533,594);

**Strong Expense8 performance in 2H19**

Increased cash receipts (1H19: \$1,558,531 v. 2H19: \$2,538,587) were driven by the increase in monthly SaaS revenues and implementation revenue, providing a strong platform for ongoing SaaS revenue upon completion.

Federal Government shared service hub contract wins from the Service Delivery Office (SDO) of the Department of Finance (DoF) and the Department of Industry, Innovation and Science (DIIS) should provide continued implementation and SaaS revenue growth.

The Company is now positioned to scale the core Expense8 business across new market segments both organically and via partnerships. These new segments include Payhero (Expense Management linked procurement payments) and Benefits8 (employee benefits e-commerce).

**Operational highlights:**

- The DoF (up to 15 agencies) and DIIS (up to 41 agencies) Federal Government shared services hubs will drive implementation and most importantly monthly recurring and transactional SaaS revenue;
- NSW Government footprint continued to grow (60 agencies and 70,000 users) with more than 20 agencies on-boarded. The Department of Education extended its contract for an additional year with a further option for one additional year.
- Average ARPU increased to \$20 (Federal Gov: \$47, State Gov: \$14 and Corporates: \$24) mainly driven by Travel SaaS revenue within the Federal Government. Federal Government ARPU stronger than other segments due to travel module revenue, highlighting opportunity to expand travel into markets.
- The NSW Department of Industry became the first NSW Government agency to adopt travel with more expected to follow suit;
- Corporate client interest in travel and expense management (TEMS) linked procurement payments (Payhero) increased;
- The Company modestly increased headcount to facilitate scale-up efforts in Sales and Marketing, R&D and Partner expansion has begun;

## Outlook

8common is well positioned to scale in the current and forward financial periods. The strength of new government agency relationships and expanded marketing efforts to new segments will drive strong growth in revenues and will confirm the path to operating profitability.

Product and R&D efforts will capitalise on the growth in cashless payments and the facilitation of straight through processing.

For further information please contact:

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### **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.

**[www.8common.com](http://www.8common.com)**