

## 2019 AGM: Chairman Address

On behalf of the Board of 8common Limited, it is a pleasure to address you, our shareholders, at our 2019 Annual General Meeting.

The 2019 financial year has been a cornerstone year for our company.

We ended the reporting period strongly reaching a positive cash-flow state.

Most importantly, we continued to execute on our strategic plan to become a focused financial technology company delivering software platform to manage financial transactions. Our flagship Expense8 product had led the way in the travel and expense management (TEM) sector. We are leading the way and creating value with our suite of innovative and easy-to-navigate product platforms which meet the strict security and compliance needs of government and large enterprise customers.

### Momentum from major customer wins increased in FY19

Shortly, Andrew will take you through the detail of our operations and financials. However, before he does, I'd like to point out a few reasons we managed last financial year to increase revenue by 31 percent and SaaS revenue by 17 percent – both to record levels – and improve our cash at bank levels by nearly 100 percent.

Our customers are increasingly seeing the value our software platforms present. Their outdated legacy systems are being phased out. We give them the chance to replace them with more suitable and accommodating TEM software that considerably improves their operating efficiencies and support compliance requirements.

Several key clients either extended their contracts beyond 2019 or joined us this year. Most notable were the 2 Federal Government shared services hub agreements from the Federal Department of Industry, Innovation and Science (DIIS) and the Service Delivery Office and the Federal Department of Finance (DoF). These agreements have the opportunity to expand the reach of Expense8 to more than 60 Federal Government entities.

Their cumulative contract values are an estimated at between \$5-8m over the next three years. The successful DIIS and DoF implementations strengthened Expense8's position within Federal and State Governments. These wins provide us with a clear path to significantly increase usage from 120 to 180 Federal and State Government entities and take the number of active accounts using the Expense8 Travel and Expense Management platform to 130,000.

Monthly SaaS revenue from transaction and recurring subscriptions continued to grow significantly as we managed \$607m in transactions across the platform last financial year – up from \$466m the prior year.

We've kept that momentum going in the first quarter of FY20 with key wins with The NSW Audit Office, and an extension of the NSW Department of Planning, Industry and Environment worth an additional \$1.1m over the next three years. In Q1FY20 our revenue is up 41 per cent, and our recurring SaaS and transaction-based revenue is up 26 per cent on a pcp basis.

### Product innovation creating an unmatched set of complementary services

While these increases and momentum are impressive, in FY19 we have importantly laid the foundations that will allow us to fully harness our product innovation advantages in key market segments in FY20 and beyond.

It starts from the sweet spot we enjoy through our Expense8 product, where we're the provider in the travel and expense management sector that can provide Australian enterprises with:

- a localised TEM software solution that enables business to audit, procure and reconcile travel expenses in one easy-to-use, seamless application;
- a platform that integrates and reconciles with customers' legacy payroll and ERP software; while also
- providing security and compliance piece of mind through our sovereign data centres that meet the highest IRAP security standards that government bodies require.

## Management promotions

Because 8common is lean and agile, our key leaders are paramount to our success. In the last few months we appointed Andrew Bond to Chief Executive Officer. Since joining 8common four years ago he has been central in driving business development and client success. He has worked closely with me for the last 2.5 years to grow our revenue to become cashflow-positive in 2H FY19.

Ben Brockhoff has been promoted to Chief Operating Officer and will fully harness his strong client relationships and product and industry domain expertise that he's gleaned over the last 14 years.

Both Andrew, Ben and Rory (CTO) lead a strong operational team that will be able to implement and scale up our efforts in the next stage of our growth.

## Outlook

Looking forward, the company continues to explore opportunities to execute the growth strategy and seize on opportunities to strengthen our product offering to contribute to growth in the private and public sectors. 8Common's long-standing client relationships provide a great opportunity to deliver partnership-centric solutions as we design innovative solutions which meet customer operational requirements. The opportunities identified include Continuous Monitoring, PayHero procurement payments and CardHero pre-paid card distribution and transaction reconciliation.

Furthermore, the company holds a significant pipeline of potential revenue growth through the implementation of our technology across DIIS and DoF shared service agencies.

CardHero has received a contract to begin a paid discovery engagement for an existing client which is a significant Not-for-Profit organisation to deliver traceable expenditure via pre-paid cards. Although in its early stages, the pre-paid card market is a significant opportunity to leverage the existing Expense8 platform and further diversify revenue streams.

8common's management team have a demonstrated track record of delivering value to customers and the board and I am confident 8common will meet revenue expectations and continue to empower businesses to effectively manage corporate travel expenses well into the future.

I'll now hand over to Andrew provide an overview of the platform, the growing market opportunity and our financials.

Thankyou.

## Further information

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**About 8common Limited:**

8common (ASX:8CO) solutions deliver enterprise grade financial transaction processing. Its flagship Expense8 platform is a leading provider of end to end travel expense management software, card application and management. 8Common's innovative software solutions improve organisation, productivity and results. Its new products being PayHERO (procurement payment gateway) and CardHERO (pre-paid card fund distribution) deliver closed loop solutions to support regulated, large network and high volume requirements.

8common's specialises in large enterprise and government segments. Its growing client base of more than 110,000 platform users include enterprise customers Woolworths, Broadcast Australia, Amcor, and over 120 state and federal government entities.

For more information, visit <https://www.8common.com/>

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