

8common delivers strong 1H FY2020

Fintech company 8common Limited (**8common** or the **Company**) (ASX: **8CO**), a leader in expense management software and card application management, is pleased to release its consolidated cashflow and business update for the half year ended 31 December 2019 (1H FY20).

Half yearly highlights:

SUMMARY FINANCIAL RESULTS	PERIOD TO 31 DECEMBER			
	2019	2018	CHANGE	
	\$	\$	\$	%
Revenue from SaaS (subscription and transaction)	1,271,429	942,865	328,564	35%
Other revenue from continuing operations	499,955	544,640	(44,685)	(8%)
R&D grant	279,970	225,438	54,532	24%
Total Revenue	2,051,354	1,712,943	338,411	20%
Adjusted EBITDA ¹	193,906	(129,651)	323,557	N/A
EBITDA	62,901	(212,901)	274,992	N/A
Adjusted Profit ²	47,299	(798,045)	845,344	N/A
Loss for the period	(119,253)	(798,045)	678,792	85%
Operating cashflow	(191,919)	(583,390)	391,471	67%
Cash and cash equivalents at period end	925,293	329,032	596,261	181%

- Revenue growth of 20% and a 15% reduction in expenses supported a positive EBITDA result of \$62,901 and significantly improved net loss position of \$119,253;
- On an adjusted basis which excluded 1-off tax expenses relating to the disposed Realtors8 sale and non cash ESOS expenses, the Company recorded an EBITDA of \$193,906 and Profit of \$47,299.
- New contract wins drove SaaS recurring and transactional revenue, **up 35%** half on half;
- The company **generated \$1.83 million in new contract** wins in 1H FY20;
- \$2.9 million in Annualised Recurring Revenue³** at the end December 2019;
- Net cash at 31 December 2019 of \$925k. Subsequent to the end of the half, 15.8 million listed options were converted providing a cash injection of \$552k. **At the time of writing, 8common's net cash position is circa \$1.9 million;**
- The improving balance sheet position provides 8common with the ability to **invest more rapidly** in people and infrastructure to support and fast track our growth initiatives such as CardHero and a pipeline of potential revenue from implementation activities across Federal share services agencies.

8common Executive Chairman, Nic Lim said "The continued strong growth in SaaS revenue during the half, up 35% versus the previous period, highlights the strength of our revenue model and the continued contract wins. We continue to expect a strong 2H FY20 as new contract wins and client renewals drive implementation revenue and recurring SaaS revenue".

"8common remains a leader in the travel and expense management software sector for large Australian enterprises and government agencies. Our strong net cash position will enable us to

¹ Adjusted EBITDA: \$131,815 for non cash Employee Share Option expense added back;

² Adjusted Profit: \$34,737 tax expense for Realtors8 Pte Ltd (Singapore) and \$131,815 for non cash Employee Share Option expense added back;

³ ARR is calculated as December monthly subscription revenue annualised;

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accelerate product development of complementary financial transaction software platforms like CardHero. We are positioned to scale growth and drive revenue uplift via Expense8 and its shared services wins with the Federal Government, our reseller network and new product streams such as CardHero.”

Outlook

8common has already seen three new contracts signed in Q3 FY20 which will add implementation revenue in Q3 and Q4 FY20. The company has a significant pipeline of potential revenue growth via the implementation of our technology across further DIIS and DoF shared service agencies. Corporate engagement continues with good responses received for both the travel and continuous transaction monitoring platforms.

Additionally, 8common have commenced discussions on the provision of pre-paid cards, working with not-for-profit organisations, that leverage the strength of the Expense8 platform whilst providing a stronger process for reconciliation and tracking of expenditure in the sector. As we progress this initiative, 8common will provide updates to the market once a revenue associated outcome is secured.

CEO Andrew Bond commented: “Building a reseller model for Expense8, developing the CardHero product and increasing our ability to execute on growth via appropriately staffing the 8common team have been key focus areas for us. I am pleased with the progress we have made on all fronts and look forward to delivering further updates.”

This announcement has been authorised for release by the Board.

Further information

Corporate

Nic Lim
nic@8common.com
Executive Chairman

Investors

Craig Sainsbury
craig.sainsbury@marketeye.com.au

Media

Tristan Everett
tristan.everett@marketeye.com.au
+61 403 789 096

About 8common Limited

8common (ASX:8CO) 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 innovative software solutions improve organisation, productivity, incorporate company organisational policies and expense auditing to reduce fraud. Expense8 by 8common was named a Major Player in the IDC MarketScape: Worldwide SaaS and Cloud-Enabled Travel and Expense Management Applications 2019 Vendor Assessment.

Its new products being PayHero (closed loop procurement payments) and CardHero (pre-paid card funds distribution) deliver closed loop solutions to support regulated, large network and high volume requirements. 8common specialises in large enterprise and government segments.

Its growing client base of more than 120,000 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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