

**ASX Release**

**19 November 2021**

## **2021 Annual General Meeting Chairman's Address**

On behalf of the Board of 8common Limited it is a pleasure to address you, our shareholders, at our FY 2021 Annual General Meeting.

The 2021 financial year was a transformative period for the Company with our actions and product development setting the foundations for what we believe will be an extended and exciting period of growth for our Company.

Despite the challenges of COVID-19, we stayed focused as a Company, engaged with our customers and expanded the reach of our enterprise grade financial payments and transaction management solutions. During FY21 the Company:

- Launched CardHero, an integrated card payment and expense management solution
- Extended the reach of the Expense8 platform with an increase in user numbers to over 166,000
- Cemented our position within Federal Government with Expense8 and post year end were selected as the sole solution provider of Travel and Expense Management for the Australian Government GovERP panel
- Strengthened our balance sheet to provide the capital to accelerate our growth initiatives

The scale of our operational growth in FY21 is reflected in the \$616 million in transactions processed and over 41,000 new users onboarded delivering record quarterly transaction and recurring revenues.

### **Expanding our Federal Government Presence**

After the end of the financial year, we announced that Expense8 had been selected as the solution provider of Travel and Expense Management for the Australian Government GovERP Complementary (edge) capabilities panel. Under the agreement, Expense8 will be the sole Travel and Expense Management provider for over 130k employees across 90 Government Entities.

8common currently provides Expense8 to a total of 27 Federal Government entities with approximately 20,000 users with a current Expense8 ARPU from Federal Government of \$42, this was \$53 pre-covid. The addition of Expense8 to the GovERP panel provides the ability for 8common to substantially grow its footprint within Federal Government and significantly increase implementation revenue and transaction-based SaaS recurring revenue over the coming years.

Our appointment is a testament to the quality of the Expense8 platform and our ability to meet the high-level service requirements, and security sought as part of the tender process for this whole of government initiative.

We were delighted to commence the accelerated delivery of Expense8 under the GovERP Panel in October with an initial \$542k contract reflecting the size of the opportunity of the GovERP program to the Company.

### **CardHero – Life Without Barriers commences rollout**

One of the major achievements during the year was the signing of the inaugural CardHero contract with Life Without Barriers, a large not-for-profit organisation supporting 23,000 people living in 400 communities across Australia.

The CardHero and CardHero+ platforms have two distinctive use cases and clients:

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- CardHero Corporate Expense is an integrated card payment and expense management solution for government and large enterprise clients.
- CardHero+ Disbursement is an integrated fund disbursement and spend management solution for use by Not-for-Profits and educational institutions to disburse funding and reconcile transactions.

The scale and sophistication of disbursement programs amongst not-for-profits, charities and grant programs has driven the requirement for more advanced solutions like CardHero. The integrated funds disbursement and expense reconciliation capabilities are well supported by our experience and position as a preferred supplier to government and large corporates. CardHero reduces administrative time spent on validating and reconciling expenses and streamlines the distribution of funds.

Following on from the first successful transactions on the CardHero platform in July, we continue to work closely with Life Without Barriers to further develop and enhance the platform to ensure that we deliver to their requirements, and we look forward to the subsequent rollout to their selected cardholders.

Importantly we are seeing corporate customers, such as Woolworths, consider the CardHero solution and we believe this will be an avenue of significant revenue growth for the company in coming years.

## **Well capitalised to accelerate growth**

During the year, we accessed the capital markets to ensure we have the balance sheet capabilities to execute on our significant growth opportunities. In October 2020, we raised \$2.25 million (before costs) to accelerate the roll out of CardHero and expedite the onboarding of recent customer wins. Post the end of the financial year we raised a further \$3.78 million before costs. Both placements were strongly supported by a range of existing and new institutional shareholders. The funds raised will help 8CO accelerate its growth from recent contract wins and new product commercialisation. At the end of the financial year the Company had over \$3.2 million in cash to utilise to fast-track our growth in FY22.

## **FY22 a year of accelerated growth**

We would like to thank the 8common team for their efforts during the year. We have a very proud, passionate and talented team that have built an exceptionally strong reputation amongst our clients, both existing and prospective, and are a crucial part of our growth and success.

Our ability to develop and maintain best of breed technology platforms to initiate, transact, manage and report financial transactions for large enterprises will continue to drive our future.

FY22 will be a year of considerable growth for our business, both in terms of scale and financially. The roll out of CardHero platform will gather momentum in FY22 and should start to deliver meaningful, and ongoing, revenue contribution to the Company. The accelerated rollout of addition of Expense8 to the GovERP panel has already delivered \$542k of revenue for FY22 and that contribution will grow as we look to onboard the large pool of Government users to our platform.

The combination of CardHero and expanded Expense8 footprint, coupled with the improved business conditions post the impact of COVID will provide 8common with the opportunity to substantially grow our SaaS recurring revenue in FY22 and beyond.

We would like to thank all of our shareholders, stakeholder and customers for their support during the year and we look forward to more success in FY22 on beyond.

This release has been approved by the Board of 8common.

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## Further information

### Corporate

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Executive Chairman

### Investors

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## 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 product CardHero (prepaid card fund distribution) delivers solutions to support regulated, large network and high-volume requirements. CardHero helps boost compliance with smart rules and spend controls at an organisation and user level.

Its growing client base of more than 172,000 platform users include enterprise customers Woolworths, Broadcast Australia, Amcor, and over 158 state and federal government entities. For more information, visit <https://www.8common.com/>