

Record Q1 cash receipts as FY25 begins on strong footing

September 2024 Quarterly Report and Appendix 4C

Fintech company 8common Limited (**8common** or the **Company**) (ASX: **8CO**), is pleased to release its quarterly cashflow and business update for the quarter ended 30 September 2024 (1Q FY25).

Outlook:

Key financial highlights for 1Q FY25 include:

- Record transaction and recurring SaaS revenue of \$1.2 million, up 13% on the previous corresponding period (PCP) and total revenue of \$2.0 million
- Cash receipts from operations of \$2.3million, up 36% vs PCP
- Net operating cash flow for the period of \$3k
- Annualised Recurring transaction and SaaS Revenue (ARR) of c.\$5.0 million at 30 Sept 2024 (\$5.0 million at 30 June 2024)
- Change Request revenue from existing customers grew to \$510k, up 523% vs PCP
- Hosting and infrastructure costs have decreased 23% vs PCP to \$273k
- ARPU of \$29.90 up 13% vs the prior quarter
- Cash balance of \$0.1 million at 30 September 2024 (30 June 2024: \$0.1 million). The cash position is supported by a \$1.5m financing facility from the Executive Chairman (and expiry has been extended to 31 December 2025) which ensures the Company remains adequately funded.

Key operational highlights include

- Growing client activity within Federal Government and strong ARPU helped consolidate prior quarter positive financial performance during the quarter to deliver positive cashflow
- The Federal government Travel and Procurement Payment Services (TAPPS) corporate credit card transition to NAB payment cards required configuration changes across all clients. The change in cards has resulted in a deferment of some SaaS transaction revenue in August and September (to be realised in Q2 FY25) and an uplift in Change Request revenue in Q1 FY25 (up over 500% vs pcp).
- New and prospective client activity continues to be encouraging with tender and proposal activity at unprecedented levels.

	1QFY24	4QFY24	1QFY25	% Change (PCP)
Total Revenue (A\$k)	1,888	2,313	1,989	5%
SaaS & Transaction Revenue (A\$k)	1,063	1,199	1,199	13%
Number of users (k)	173	165	163	-6%
ARPU – Total (A\$)	25.26	28.08	28.17	12%

8common CEO, Andrew Bond said “Post appointment to the Digital Transformation Agency panel, we have seen an unprecedented levels of tender and procurement engagement activity for our

Expense8 solution. Continued gains from optimising operating procedures, billing and continued growth in revenue has resulted in strong cash receipts, up 36% on PCP. These endeavours have delivered a quarter that was cashflow positive. As a product led company, we are very pleased to see a strong acceptance across our client base towards upgrading features, security (i.e. Federal government Protected status) and further integration with their ERP systems. All this bodes well for preserving collaborative long-term vendor-client relationships.”

Financial and operational review

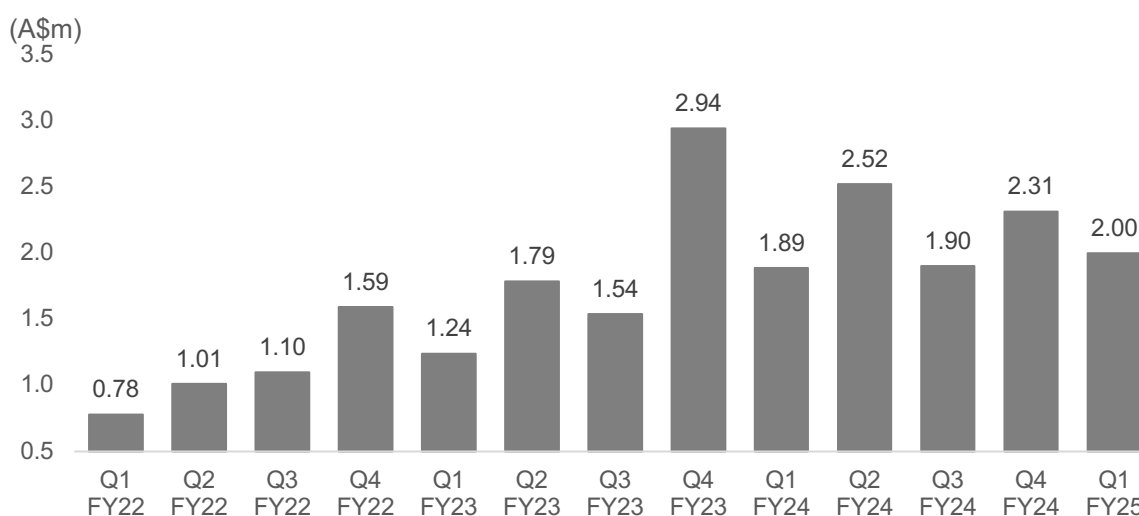
The Company delivered Record transaction and recurring SaaS revenue of \$1.2 million, up 13% on the previous corresponding period (PCP) and total revenue of \$2 million

ARPU for 1QFY25 was \$28.17, up 12% PCP, reflecting an increase in products per users and growing Federal Government exposure.

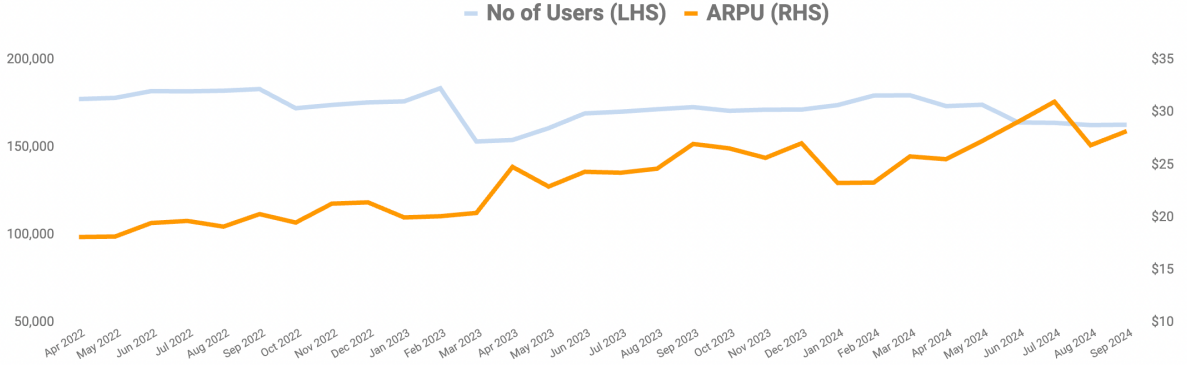
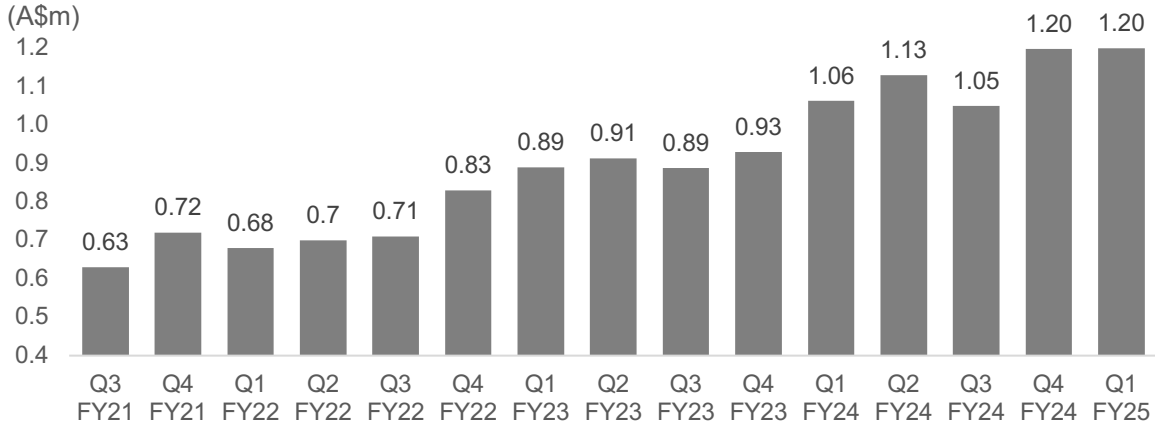
The Company continues to focus on costs and expenses. Staff, administration, and corporate costs were \$1.8 million for the quarter arising from cost management benefits, improved billing cycles and lower external contractor related activity.

Payments to the Directors of the entity, comprising of salaries and fees for Executive and Non-Executive Director, totalled \$95k during the quarter (see section 6 of the Appendix 4C). No other payments were made to any related parties or their associates of the entity.

Total revenue



Recurring SaaS & Transaction revenue

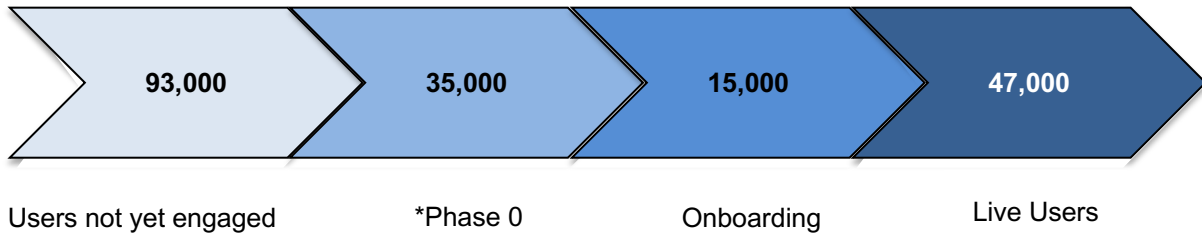


Expense8

- New and prospective client activity continues to encourage with tender and proposal activity at unprecedented levels.
- Significant existing client activity continues to drive Change request revenue which is expected to contribute to further revenue growth
- Reseller partnership activity has strengthened and with more resellers expected to partner with expense8

Fed Gov onboarding pipeline (as at 30 September 2024)

There are approximately 190k Total Potential Users of Expense8



* Phase 0 Discovery workshops are a key pre onboarding phase for Federal Government agencies on their path to adopting Expense8 and as such can be viewed as a precursor to future user additions. Over 55k users have commenced or completed Phase 0 Discovery workshops

Source: https://budget.gov.au/content/bp4/download/bp4_10_staffing_of_agencies.pdf

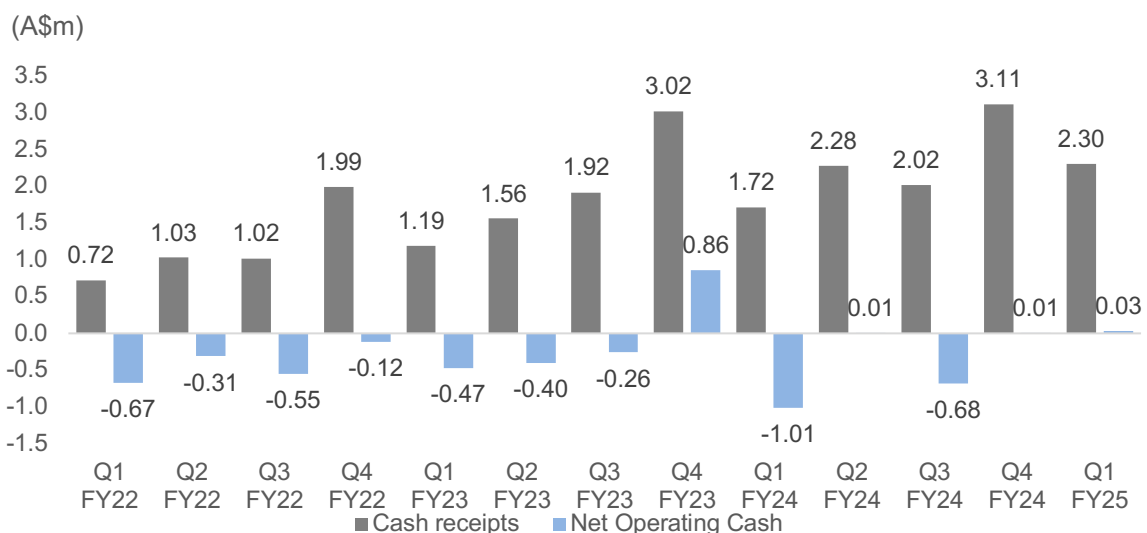
CardHero

CardHero continues to operate cashflow positive and with business development efforts continuing. CardHero contributed \$113k to recurring SaaS and transaction revenue during the quarter.

Cash Flow performance

Net cash flow from operations for 1Q FY25 was \$3k, primarily driven by strong cash receipts and a decrease in hosting costs and a continued focus on cost control.

The Company has a cash position of \$0.1 million as at 30 September 2024. The cash position is supported by a \$1.5m financing facility from the Executive Chairman which ensures the Company remains adequately funded. The financing facility was originally due to expire on 30 October 2024, and given it has not been drawn upon, it has been agreed to extend it on the same terms so will now expire on 31 December 2025.



For further information

Corporate

Nic Lim
nic@8common.com
Executive Chairman

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.

The CardHero product (prepaid card fund distribution) delivers a closed loop solution to support regulated, large network and high-volume requirements. 8common specialises in large enterprise and government segments.

Its growing client base of more than 163,000 platform users include enterprise customers Woolworths, Broadcast Australia, Amcor, and over 189 state and federal government entities. For more information, visit <https://www.8common.com/>

Appendix 4C

Quarterly cash flow report for entities
subject to Listing Rule 4.7B

Name of entity

8common Limited

ABN

51 168 232 577

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,339	2,339
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(6)	(6)
(d) leased assets		
(e) staff costs	(572)	(572)
(f) administration and corporate costs	(1,757)	(1,757)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	3	3
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(f) other non-current assets		
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities		

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities		

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	131	131
4.2 Net cash from / (used in) operating activities (item 1.9 above)	3	3

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	134	134

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	134	131
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	134	131

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
95

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Relates to payment of Director wages and Director fees for the quarter.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	1,500	0
	-	-
	-	-
	1,500	0

7.5 Unused financing facilities available at quarter end

1,500

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Facility is provided by Mr Nic Lim, Executive Chairman of the Company. The facility is unsecured and has an interest rate of 6% per annum. The loan facility expires on 31 December 2025.

8. Estimated cash available for future operating activities

\$A'000

8.1	Net cash from / (used in) operating activities (Item 1.9)	3
8.2	Cash and cash equivalents at quarter end (Item 4.6)	134
8.3	Unused finance facilities available at quarter end (Item 7.5)	1,500
8.4	Total available funding (Item 8.2 + Item 8.3)	1,634
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	N/A

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:29 October 2024.....

Authorised by:Board of Directors.....

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.