

Record SaaS revenue and cash receipts drive operational profitability and positive cashflow

June 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 June 2024 (4Q FY24).

Outlook:

- The benefits of cost optimisation, growing user base within Federal Government and a strong ARPU drove improved financial performance during the quarter to deliver positive cashflow and operationally profitability (unaudited management accounts)
- A further 2.5k users were in the go live phase as at 30 June and will deliver continued momentum providing 8CO confidence that the improved financial performance delivered 4QFY24 can be replicated in FY25. Post 30 June, the Federal Department of Education, Office of the Commonwealth Ombudsman and Murray Darling Basin Authority all went live with Expense8.

Key financial highlights for 4Q FY24 include:

- Record transaction and recurring SaaS revenue of \$1.2 million, up 28% on the previous corresponding period (PCP) and total revenue of \$2.3 million
- Record cash receipts from operations of \$3.1 million, up 3% vs PCP and full year receipts of \$9.5 million
- Net operating cash flow for the period of \$1k
- Annualised Recurring transaction and SaaS Revenue (ARR) of c.\$5.0 million at 30 June 2024 (\$4.7 million at 31 March 2024)
- ARPU of \$29.90 up 13% vs the prior quarter
- Federal Government ARPU of \$44.15 an important indicator given the growing proportion of users from within Federal Government entities.
- Cash balance of \$0.1 million at 30 June 2024 (31 March 2023: \$0.1 million). The cash position is supported by a \$1.5m financing facility from the Executive Chairman which ensures the Company remains adequately funded

Key operational highlights include

- Strong customer demand continues to drive elevated on-boarding activity with implementation projects being executed across multiple entities
- New contract wins and extensions secured during the quarter include the Net Zero Emissions Agency, Department of the Senate, Department of Finance and the Department of Home Affairs
- User numbers decreased to 165k, down slightly vs PCP due to a large customer deactivating dormant users.

FY24 highlights

- Total Revenue of \$8.4 million and over \$4.5m in transaction and recurring SaaS revenue up 11% and 22% respectively on FY23
- Cash receipts from operations of \$9.5 million, up 24% on FY23
- TCV secured of \$5.6 million

	4QFY23	3QFY24	4QFY24	% Change (QoQ)
Total Revenue (A\$k)	2,936	1,892	2,313	22%
SaaS & Transaction Revenue (A\$k)	935	1,050	1,199	14%
Number of users (k)	169	180	165	-8%
ARPU – Total (A\$)	23.19	23.74	28.08	18%

8common CEO, Andrew Bond said “We are pleased with the strong Q4 finish to the year which has set us up nicely for FY25. Our focus on customer success and new implementations drove record SaaS revenue and cash receipts which delivered operational profitability for the quarter. Both expense8 and Cardhero are well positioned for continued growth given the demand for our solutions and our positioning given the blue chip client base. We have begun FY25 on strong footing as SaaS revenue is poised to grow given the recent implementations and strong pipeline of opportunities in the near term. Operational efficiencies and strategic initiatives have also contributed to strengthening our financial performance. We have turned an important corner and look forward to delivering on our goal towards positive cashflow and profitability in FY25.”

Financial and operational review

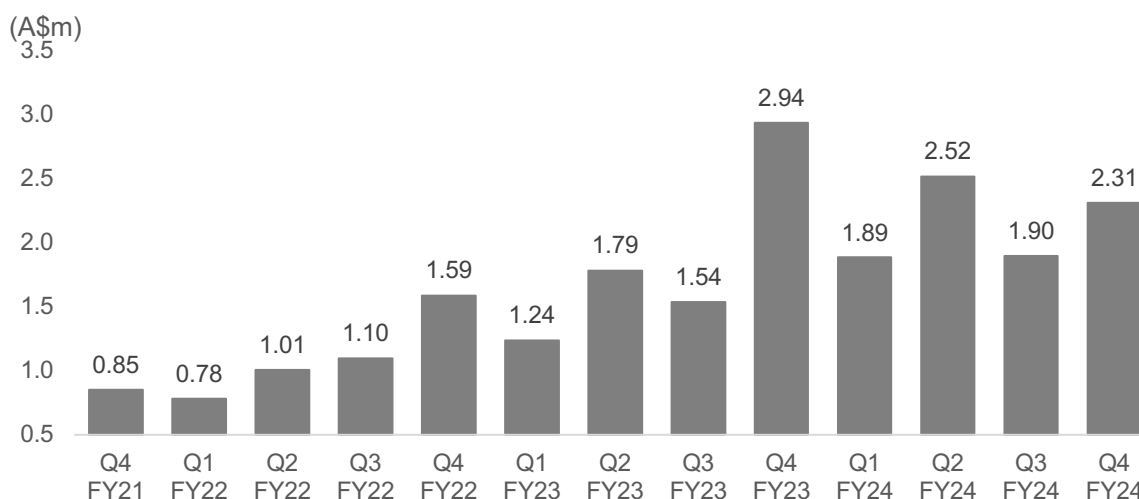
The Company delivered Record transaction and recurring SaaS revenue of \$1.2 million, up 28% on the previous corresponding period (PCP) and total revenue of \$2.3 million

ARPU for 4QFY24 was \$28.08, up 18% QOQ, 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 \$3.1 million for the quarter as payments to contractors increased with implementation activity.

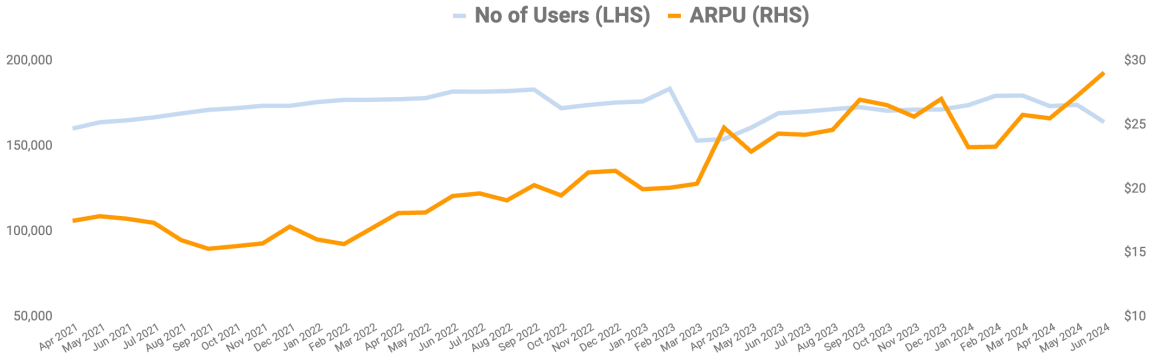
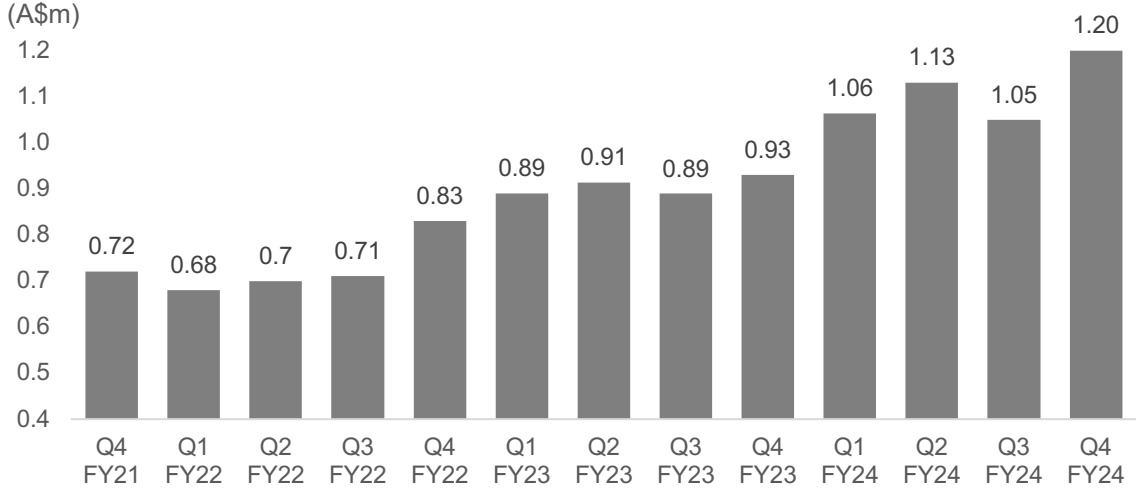
Payments to the Directors of the entity, comprising of salaries and fees for Executive and Non-Executive Director, totalled \$85k during the quarter (see section 6 of the Appendix 4C). No other payments were made to any related parties or their associates of the entity.

Total revenue



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Recurring SaaS & Transaction revenue



Expense8

Strong customer demand continues to drive elevated on-boarding activity with concurrent implementation projects being executed across multiple entities. New contract wins and extensions secured during the quarter include:

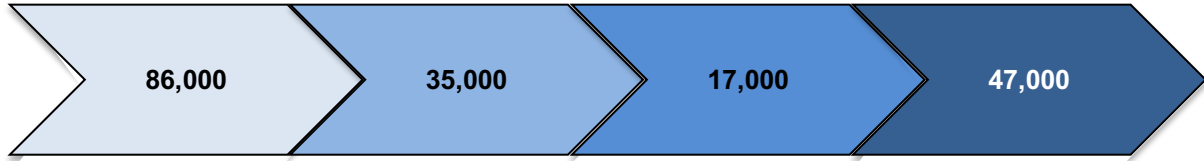
- Net Zero Agency
- Department of Finance
- Department of Home Affairs
- Department of the Senate
- NSW Electoral Commission

In FY24, over \$5.6 million in new contracts and contract extensions have been secured.

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Fed Gov onboarding pipeline (as at 30 June 2024)

There are approximately 185k Total Potential Users of Expense8



Users not yet engaged *Phase 0 Onboarding Live Users

* 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

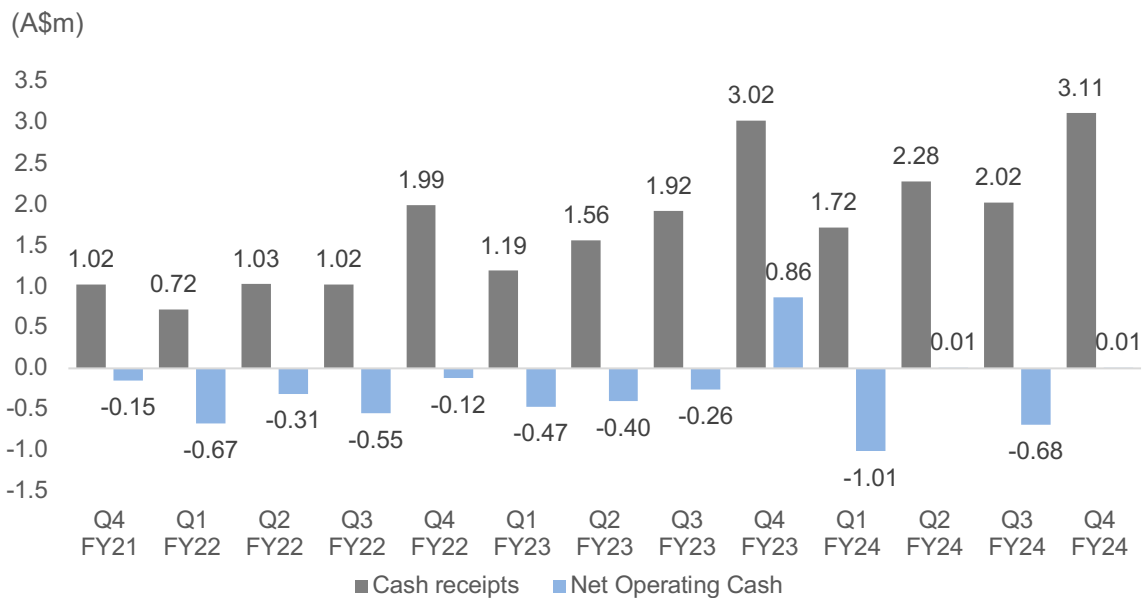
CardHero

CardHero welcomed the Interactive Community Care (ICC) as a new client. On a standalone basis, CardHero also became operationally cashflow positive. CardHero contributed \$108k to recurring SaaS and transaction revenue during the quarter (up 175% vs PCP).

Cash Flow performance

Net cash flow from operations for 4Q FY24 was \$1k, primarily driven by improved cash receipts and a continued focus on cost control.

The Company has a cash position of \$0.1 million as at 30 June 2024. The cash position is supported by a \$1.5m financing facility from the Executive Chairman which ensures the Company remains adequately funded.



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Further information

Corporate

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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 a closed loop solution to support regulated, large network and high-volume requirements. 8common specialises in large enterprise and government segments.

Its base of approximately 165,000 platform users include enterprise customers Woolworths, Broadcast Australia, Amcor, and over 172 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 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,114	9,562
1.2 Payments for		
a. research and development		
b. product manufacturing and operating costs		
c. advertising and marketing	(7)	(61)
d. leased assets		
e. staff costs	(597)	(2,168)
f. administration and corporate costs	(2,509)	(9,043)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	25
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	1	(1,685)
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		(103)
f. other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	a. entities		
	b. businesses		
	c. property, plant and equipment		
	d. investments		110
	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		7
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	130	1,809
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1	(1,685)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	7
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	131	131

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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	131	130
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)	131	130

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

Current quarter \$A'000
85

- 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

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.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	1,500	0
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	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.

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8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	1
8.2 Cash and cash equivalents at quarter end (Item 4.6)	131
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)	1,631
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:

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?

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?

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

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:24 July 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.

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