Investor Update
May 2019

8common

(ASX:8CO)

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- 2 complementary B2B software businesses:

  ① Expense8: leading cloud-based platform for employee expense management

  ② PayHERO: payment gateway providing merchant account services

- Leading position with 117 Government Agencies (Federal, NSW and NT) and large corporate clients including Woolworths, Mitre10, Amcor and Rabobank;
- Operating Cash flow positive in the March 2019 quarter (unaudited management acounts):
  - +87% YoY in cash receipts to $1.066m;
  - +72% YoY in revenue to $955K;
  - Profitable, EBITDA and Cash-flow Positive in March 2019
- Integrating PayHERO and Expense8 creates a procurement approval, payment gateway and expense reconciliation capability.
- Comparable companies have been acquired at revenue multiples of 6-15x.

Leadership in Government (117 Agencies)

69 Agencies

13 Agencies

35 Agencies (Whole of Government)

Target Client: Large and Sophisticated

Blue-Chip corporate customer base

Australian Government

NSW GOVERNMENT

Woolworths

We help clients manage transactions…

Approval

Card Expenses

Procurement Payments

Cash Payments

Taxi Fleet Car Petrol

Cash Allowance Advance

expense8

PAYHERO

via our platforms…

Expense Management

Corporate Travel

Card Application & Maintenance

PayHERO Payment Gateway

to reconcile with payroll & financial ERP

SAP

technologyone

Transforming business, making life simple

ORACLE

Aurion

PEOPLE & PAYROLL SOLUTIONS

expense8: revenue model

Recent contract wins – 2 Federal Gov contracts worth $642K

Transaction volumes to increase as organisations moves away from Purchase Orders and increase Card issuance

1 Off		Monthly		Ad-hoc		
Implementation (1-off) $50,000 – $500,000	+	Per Transaction (Monthly) $0.25 – $12.00 Subscription (Monthly) $500 – $2,500	+	Change Requests (annual spend) $5,000 - $50,000	=	1 Off Implementation Margin Monthly Recurring Subscription and Transaction Fees Ad-Hoc Services Fee

expense8: ARPU has grown 35% YoY

FY2018 **$1.6m** revenue from **120,000 users** in SaaS revenue. **ARPU of $13.33**

FY2019 **ARPU runrate of $18** with **111,000 users** (slight consolidation of cards with some clients)

Upselling **111,000 users** across all platforms at **ARPU of $42** could deliver **$4.6m**

Expense8, on track to 100-200% uplift in Existing Customer ARPU

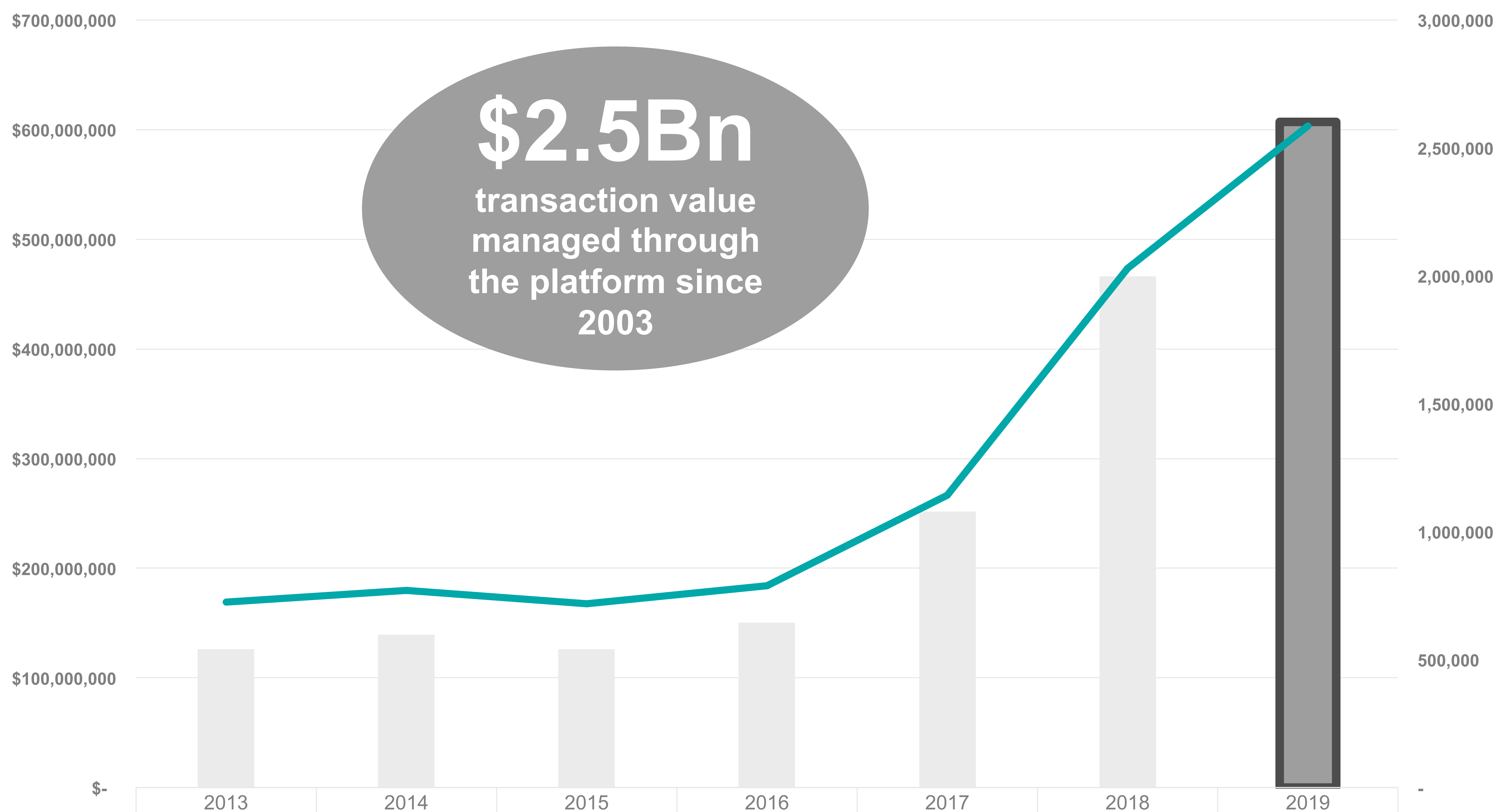
Expense Management	+	Credit Card Application and Maintenance	+	Corporate Travel	=	Expense8 Platforms @ 100% Wallet Capture Rate
111,000 Users		111,000 Users		111,000 Users		111,000 Users
$18 ARPU[1]		$12 ARPU[2]		$12 ARPU[3]		$42 ARPU
$2m Revenue		$1.3m Revenue		$1.3m Revenue		$4.6m Revenue

[1] Actual based on unaudited Q3 FY19 Expense8 June 2018 SaaS Revenue and Actual User Count
[2] Company estimates based on client transaction patters
[3] Actual based on FY18 Corporate Travel revenue from existing customer base

expense8: usage growth

4x growth between 2016 to 2019 in $ value of expenses managed

$2.5B in expenses managed since 2003, $607m in the last 12 months



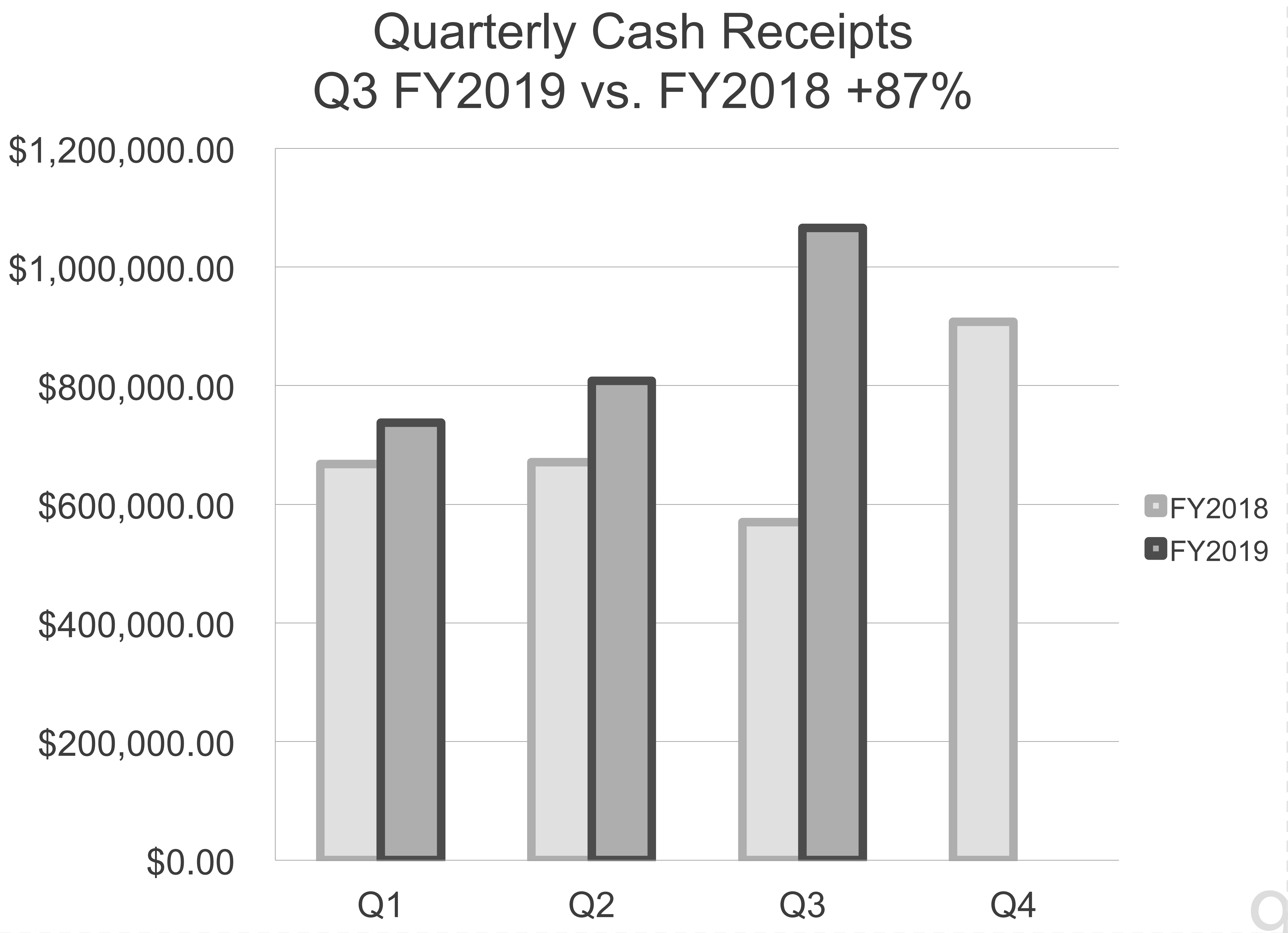
	2013	2014	2015	2016	2017	2018	2019
$ Expenses	$126,064,155	$139,547,741	$125,942,623	$150,531,071	$251,659,878	$466,236,095	$607,019,464
# Expenses	724,762	771,051	718,350	788,472	1,142,959	2,028,257	2,585,559

$ Expenses # Expenses

*Numbers are based on on Trailing Twelve Months
(i.e. 2019 numbers are from April 2018 to March 2019)

expense8: cash flow positive

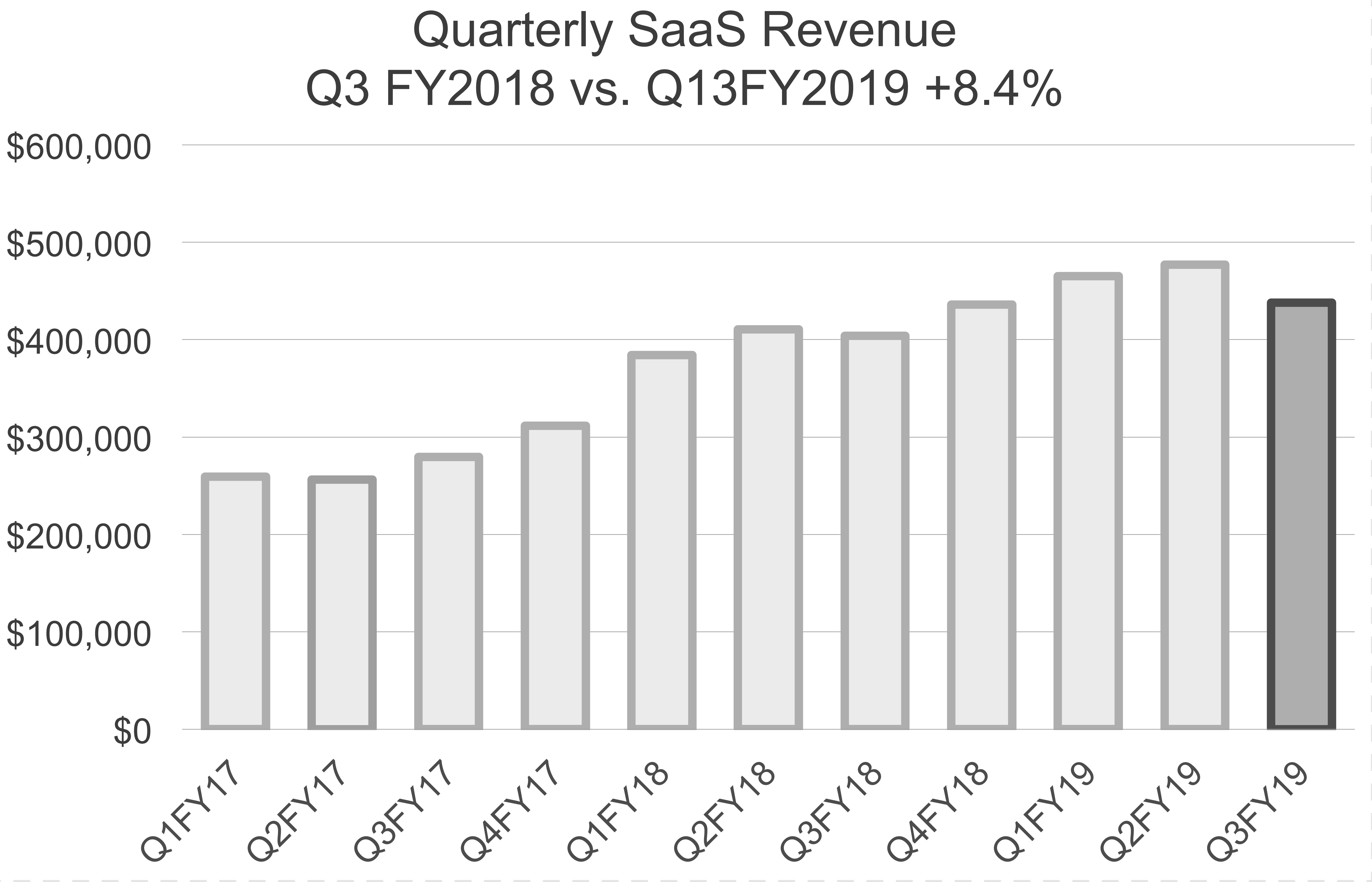
Q3 FY2019 cash receipts +87% to $1.066m YoY



expense8: strong recurring and transactional revenue

Q3 SaaS Revenue +8.4% YoY

- Seasonally lower quarter (billing for transactions from Dec – Feb)
- Q4 is expected to be stronger
- Growth fuelled by new client on-boarding



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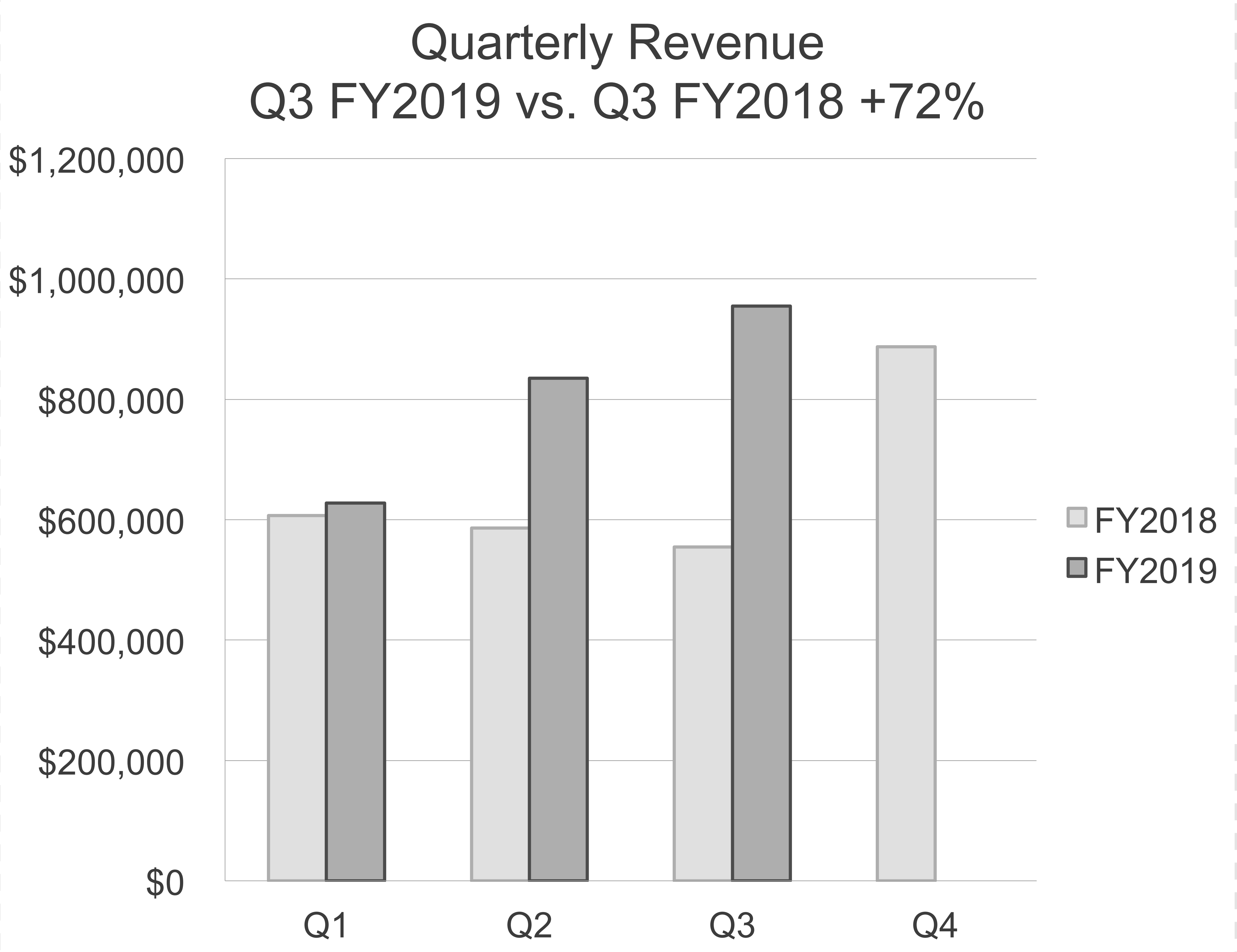
expense8: in high growth mode

Q3 Revenue +72%

2 Federal Government agency contracts valued at $642K expected to contribute to Q4 FY2019 revenue



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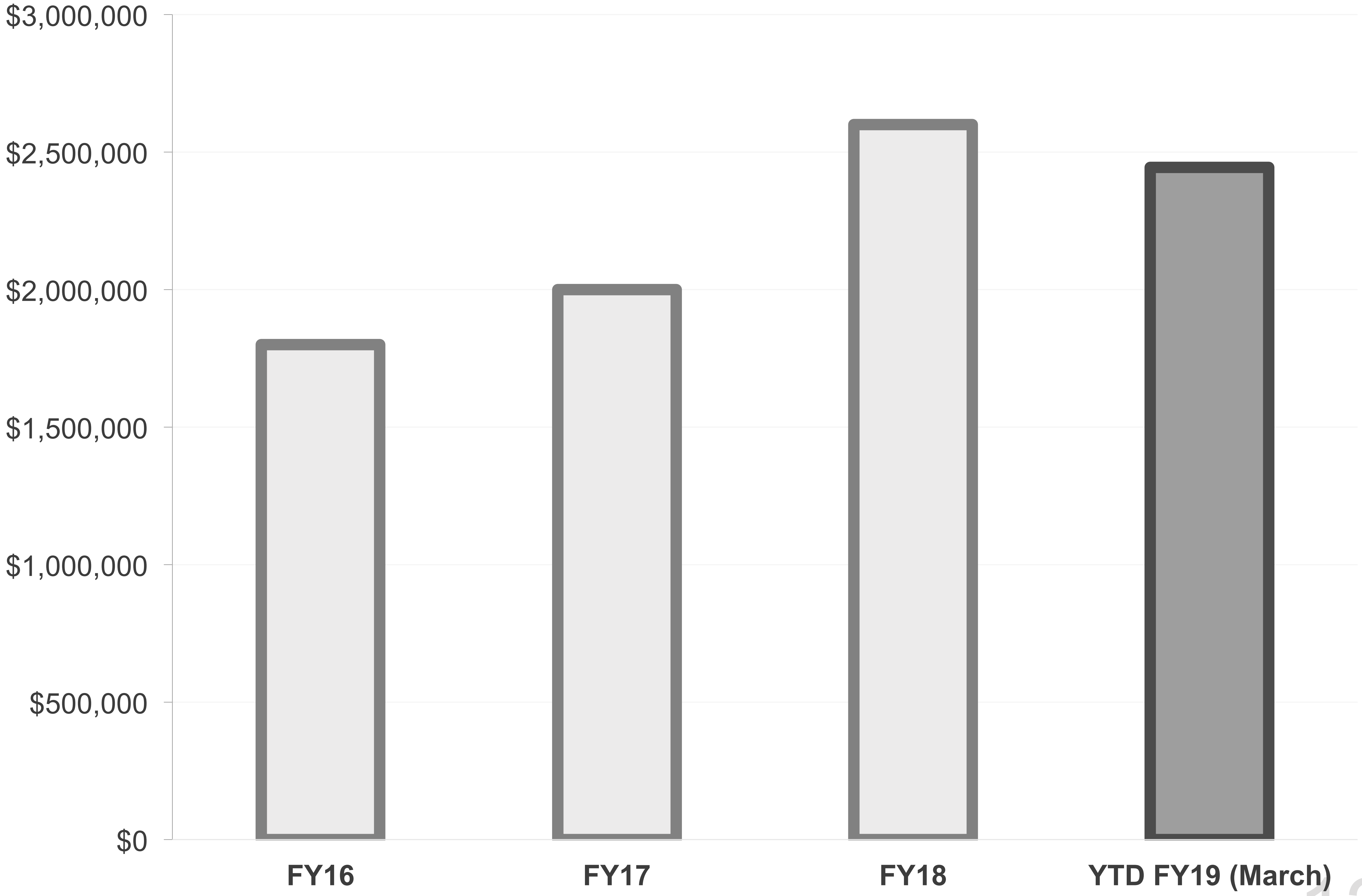
expense8: scaling with revenue growth

H1 Revenue grew 25% YoY to $1.5m

FY2018 full year $2.6m

FY2019 YTD till Mar 2019 was $2.4m (unaudited)



expense8: ready to Scale

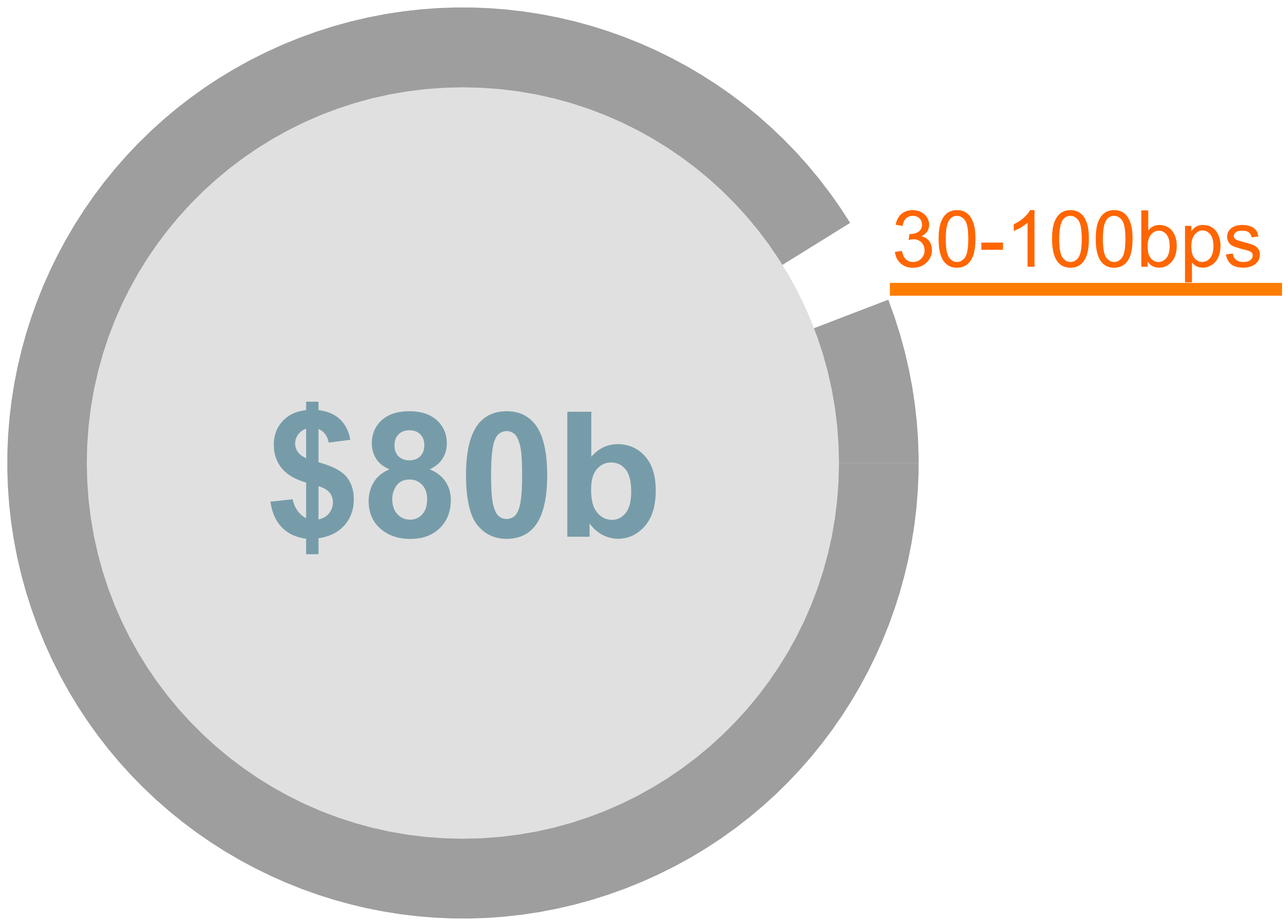
1. Develop industry leading platform — COMPLETED

2. Implement and operate to target market — COMPLETED

3. Scale distribution via partners and cross sell PayHERO — STARTING
    - **Grow Expense8 government coverage**
    - **Increase ARPU, recurring and transaction fees**
    - **Leverage BlueChip Corporate Client Base of Expense8 to cross-sell PAYHERO payment gateway solution (% clip of transaction volume)**

PayHERO Payments Opportunity

- **Processing Federal, NSW and Northern Territory Government procurement payments is a $80b total addressable market** based on the FY2017 reported annual procurement spend.
- **Industry GDV to revenue** average of between **30-100bps**.
- **Annual Transaction Revenue** opportunity of between **$24-80m**.



Federal, NSW & NT Government Annual Procurement Budget and RBA Benchmark Transaction Fee

Source:
https://www.afr.com/technology/nsw-government-looks-to-microsoft-artificial-intelligence-to-cut-10m-costs-20180607-h112nu
https://www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/
https://nt.gov.au/industry/government/sell-my-goods-and-services-to-government/buy-local-plan

Precedent Competitor Transactions

Company	Revenue at Time of Acquisition (Estimated A$m)	Reported Acquisition Amount (Reported A$m)	Revenue multiple
SAP Concur	700	8,300	11.9x
Fraedom	32	262	8.2x
certify	7	100	14.8x
8common	**3.3***	**13.6**	**4.1x**

*Trailing Twelve Months revenue for 8CO

Corporate Information

Capital Structure

Share price (30-Apr-19)	A$0.099
Shares on issue	136,130,136
Undiluted Market Capitalisation	**A$13.5m**
Cash (31-Mar-19)	A$0.4m
Shares in Cloudaron Bhd Bloomberg (CLOUD:MK)	A$3.1m
Listed Options at $0.035 (expiry 20 Feb 2020)	38,262,763

Shareholdings

Directors	26.9%
Top 20	77.2%

Q3 FY2019 Highlights (4C)

Cash Receipts	$1.1m
Net Operating Cash In-Flow	$0.06m
Net Cash In-Flow	$0.05m

FY2019 4C performance

FY2019 4C Performance

	Q1 FY2019 ($)	Q2 FY2019 ($)	Q3 FY2019 ($)
Cash Receipts	751,000	808,000	1,066,000
Cash Expenses	1,263,000	1,016,000	1,006,000
Operating cash inflow (outflow)	(287,000)	(209,000)	60,000
Cash inflow (outflow) from investing activities	45,000	-	(15,000)
Cash inflow (outflow) from financing activities	(87,000)	333,000	-
Cash inflow (outflow)	(329,000)	124,000	45,000
Cash at end of period	205,000	329,000	374,000

1H FY19 Performance

	H1 FY 2019 ($)	H1 FY 2018 ($)*
Total Income	1,712,505	1,850,988
Continuing operating Income	1,487,505	1,194,036
EBITDA (excl significant items)	(212,901)	31,752
EBITDA (includes Realtors8)	(487,461)	154,269
Loss for the period	(798,045)	(234,367)
Operating cashflow	(583,390)	(290,186)
Cash and cash equivalents	329,032	255,639

*FY 2018 Financials include Realtors8 which has since been fully divested

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