8common

ASX Release **29 July 2021**

8CO subsidiary Expense8 mandated for whole-of-government ERP

Fintech company 8common Limited (**8common** or the **Company**) (ASX: **8CO**) is pleased to announce that Expense8 has been selected as the solution provider of Travel and Expense Management for the Australian Government GovERP Complementary (edge) capabilities panel (Edge Panel), part of the Government's Shared Services Transformation Initiative to provide common resourcing and streamlined provision of services across the Australian Public Sector.

Highlights:

- Expense8 is the travel and expense management solution for GovERP. GovERP will provide a common corporate platform for all non-corporate Commonwealth entities (NCCEs) and those corporate Commonwealth entities (CCEs) that have opted in (over 90 agencies)
- Over 90 Commonwealth agencies (which includes over 130K employees) participate in the Shared Services Program and could utilise Expense8. With another 79 Commonwealth agencies having the option to opt-in to the Program.
- 8CO currently generate a Federal Government ARPU of $42 ($53 pre-covid) servicing approximately 20,000 employees across 27 agencies
- Over the past 12 months, 8CO has onboarded 10 Federal Government Agencies delivering implementation revenue of $540k
- The Agreement will see two new modules, Card Application and Management Module and GovComply Audit and Compliance Module, available to be utilised by the Federal Government which is anticipated to drive an increase in ARPU
- The Agreement is for an initial term of three years with an option to extend by a further three years
- The GovERP platform is expected to be established in mid-2022 with the first edge capabilities. The first agencies to onboard to GovERP will be the Service Delivery Office (SDO) Provider Hub and its client entities in mid-2023

The Agreement will enable the selection of Expense8 under a pre-selected panel of service providers. Expense8 will be the provider under the Travel Value Stream and Expense Management Value Stream for the Shared Services Program which includes over 130k employees across 90 Government Entities. The GovERP platform is expected to be established in mid-2022, with the Service Delivery Office and its clients being the first use case of entities to onboard to GovERP in mid-2023.

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 ($53 pre-covid) across these entities. Over the past 12 months, 8common have onboarded 10 Federal Government Agencies delivering implementation revenue of $540k.

8common CEO, Andrew Bond said "We are delighted to be included in the GovERP Panel of service providers. Our appointment is a testament to the quality of the Expense8 platform and our ability to meet the high level of service offering and security sought as part of the tender process for this whole of government initiative.

"The addition of Expense8 to the GovERP panel provides a significant ability for 8common to substantially grow our footprint within Federal Government and significantly increase our implementation revenue and transaction-based SaaS recurring revenue over the coming years.

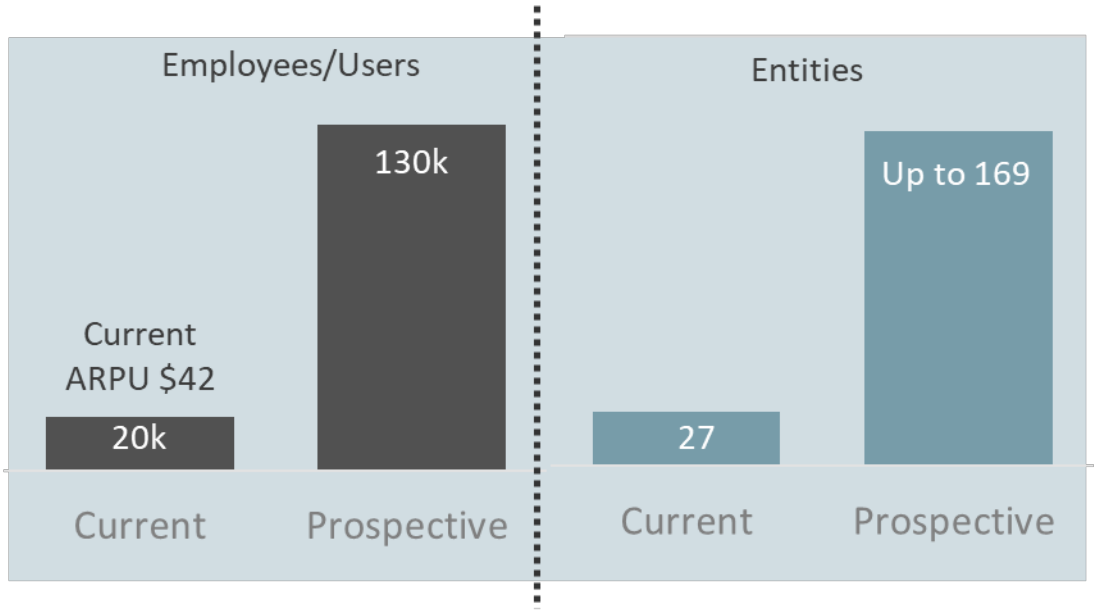
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"With a robust balance sheet, growing Federal Government footprint and expanding CardHero platform, the Company is well positioned to deliver significant upside to shareholders in coming years."

Whilst the inclusion of Expense8 on the GovERP panel enables a fast uptake by Federal Government entities, the Company is not able to predict the rate or speed at which the Expense8 solution will be implemented by various departments and therefore is unable to estimate the financial impact of the contract. However, this is considered to be a material contract win for the Company.

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

Upside in user and agency exposure to Federal Government from the Agreement



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Further information

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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 products being PayHero (procurement payment gateway) and CardHero (pre-paid card fund distribution) deliver closed loop solutions to support regulated, large network and high-volume requirements. 8common's 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 158 state and federal government entities. For more information, visit https://www.8common.com/