


Appendix 4D

Half-Year Report

Name of Entity

Spenda Limited (formerly Cirralto Limited)
--

ABN or equivalent company reference	Half-Yearly (tick)	Preliminary final (tick)	Financial period ended ('current period')
A.B.N. 67 099 084 143			6 months ended 31 December 2021

Results for announcement to the market

	\$
Revenues from ordinary activities	Up from \$629,092 to \$919,003
Net loss for the period attributable to members	Up from \$1,264,629 to \$5,983,685

Explanation of Net Loss

The consolidated net loss for the half-year after income tax attributable to members of the parent entity amounted to \$5,983,685 (2020 December loss: \$1,264,629). The Company is a transaction services business supplying industries with a broad range of B2B payment services, digital trading software and integrated solutions, which include non-bank lending.

Dividends	Amount per security	Franked amount per security
Final dividend - no dividend is proposed	N/A	N/A
Previous corresponding period - no dividend declared	N/A	N/A
Record date for determining entitlements to the dividend, (in the case of a trust, distribution)	N/A	

Net tangible assets	Current reporting period	Previous reporting period
Net tangible assets per ordinary security (in cents)	0.46	0.60

1. Details of entity over which control has been gained or lost during the period

Invigo Pty Ltd
 Invigo Finance Pty Ltd
 Greenshoots Technology Pty Ltd
 Spenda Singapore Pte Ltd
 Spenda India Technologies Pte Ltd.

2. Details of individual and total dividends or distribution payments. The details must include the date on which each dividend or distribution is payable, and if known the amount per security of foreign sourced dividend or distribution

Not applicable - no dividends have been declared or paid.

3. Details of any dividends or distribution reinvestment plans in operations and the last date for receipt of an election notice for participation in any dividend or distribution reinvestment plan.

Not applicable.

4. Details of associated joint venture entities

Not applicable.

This report is based on:

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-Yearly Report.

Signed:  _____
 Justyn Stedwell
 Company Secretary

Date: 22 February 2022

Financial Report

Half-year ended 31 December 2021

Spenda Limited (formerly Cirralto Limited)
and its Controlled Entities
ABN: 67 099 084 143

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Corporate Information

DIRECTORS

Mr Peter Richards (Non-Executive Chairman)

Mr Adrian Floate (Chief Executive Officer and Managing Director)

Mr Stephen Dale (Non-Executive Director)

Mr Howard Digby (Non-Executive Director)

COMPANY SECRETARY

Mr Justyn Stedwell

REGISTERED OFFICE

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SHARE REGISTER

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AUDITORS

HLB Mann Judd (WA Partnership)
4/130 Stirling Street
Perth WA 6000

STOCK EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange Limited, ASX Code: SPX

PRINCIPAL PLACE OF BUSINESS

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Melbourne, VIC, 3000

BANKERS

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Melbourne VIC 3000
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SOLICITORS

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Perth WA 6000

COMPANY WEBSITE

<https://www.spenda.co>

Directors' Report

Your Directors present their report on the Group consisting of Spenda Limited ("Spenda" or the "Company") and the entities it controlled ("Group") for the half-year ended 31 December 2021.

Directors

The names of the Company's directors in office at any time during the half-year and until the date of this report are shown below. Directors were in office for this entire period unless otherwise stated.

Mr Peter Richards (Non-Executive Chairman)

Mr Adrian Floate (Chief Executive Officer and Managing Director)

Mr Stephen Dale (Non-Executive Director)

Mr Howard Digby (Non-Executive Director)

Review and results of operations

The consolidated net loss for the half-year after income tax attributable to members of the Group amounted to \$5,983,685 (2020 December loss: \$1,264,629).

Operational Update

The half year ended 31 December 2021 was transformational and represented a period of consolidation for the Company, where the Company's vision to become a profitable fully integrated software solution – offering integrated **Software as a Service** ("SaaS") applications, **Payments** and **Non-Bank Lending** services – took one step closer to becoming a reality through the acquisition of three independent but synergistic businesses.

A key focus for the Company during the half year period was to conclude the rollout of its acquisition strategy and to maintain the momentum achieved in the prior period, following the acquisition of its long-term licensing partner Appstablishment Software Group Pty Ltd ("Appstablishment"), on 4 June 2021. The acquisition of Appstablishment, which was overwhelmingly supported by the Company's shareholders, resulted in the Company directly owning the Intellectual Property ("IP"), known as the Spenda Product Suite.

As announced on 5 July 2021, the Company signed a binding share sale agreement to acquire Sydney based fintech Invigo Pty Ltd ("Invigo"). This acquisition was completed on 26 July 2021 and complemented the Company's existing product suite, by having the capability to offer non-bank lending services. The acquisition essentially increased functionality to the Spenda 'payments' product suite, significantly bolstering financial services capability and enabling the Company to create Anti-Money Laundering and Know Your Customer ("AML/KYC") economies of scale. It also enabled the Company to integrate various non-bank lending products in its Business to Business ("B2B") customer strategy.

The acquisitions of Appstablishment and Invigo positioned the Company to offer SaaS, Payments and Non-Bank Lending services to its customer base, effectively diversifying and layering its revenue streams.

Furthermore, and as announced on 14 November 2021, the Company completed its third strategic acquisition of Greenshoots Technology Pty Ltd ("Greenshoots"). Greenshoots is a multi-lingual, multi-tenanted eCommerce platform that not only complements the Company's retail IP but also bolsters its Management and Development teams with the addition of key personnel. The A\$50b Australian eCommerce industry is a key strategic opportunity for the Company, which this acquisition enables the Company to compete.

Directors' Report (continued)

Operational Update (continued)

Other transformational activities that the Company undertook during the period, included nurturing and developing its long-term strategic relationships.

On 7 July 2021, the Company announced the signing a five-year Referral Agreement with Mastercard Asia/Pacific Pte. Ltd, a wholly owned subsidiary of Mastercard Incorporated ("Mastercard"). The agreement builds on the Business Payments Aggregator ("BPA") agreement signed with Mastercard and Fiserv on 14 December 2020.

The signing of this agreement with Mastercard was both significant and pivotal for the Company, as its signing represented almost two years of work and due diligence undertaken by Mastercard and negotiations between both parties.

In conjunction with signing the Mastercard agreement, the Company also signed a five-year Referral Agreement with Fresh Supply Co Pty Ltd ("FSC"). Under the terms of the agreement FSC may also introduce joint customers to Spenda through sales referrals and business opportunities.

These transformational activities provide the Company the platform to execute on the next phase of its strategy, to commercialise the Spenda product suite and rapidly scale revenue. In this regard the Company entered into several commercial agreements, including and as announced on 21 October 2021, launching Spenda into the Whola fashion marketplace delivering the Spenda Small and Medium-Sized Enterprise Funding ("SME-Funding") widget and other payment servers to the Whola platform and continuing the commercial execution of the Company's node-spoke strategy.

As announced on 1 November 2021, the Company signed and later delivered on its first international SME-Funding trade agreement between Spenda and Tyler James Pty Ltd ("James Tyler"), a cross-border trade facilitator between domestic producers and foreign retailers, to pay Australian producers before produce has been shipped. Furthermore, on 22 November 2021, the Company signed a binding agreement with eBev.com Pty Ltd ("eBev") to roll out funding services to eBev's trading network. eBev has 12,000 buyers in its network, where the Company will initial provide non-bank lending services.

Outlook for 2022:

As noted above, the half year ended 31 December 2021 was foundational and represented a period of consolidation for the Company, which has positioned the Company for a strong 2022.

The Company has delivered consistent revenue growth over the last two years, with a 55% increase in cash receipts from customers reported from the September to December 2021 quarter (unaudited). Commercialising the Spenda Product Suite is the Company's focus moving forward to, including delivery of the current signed customer agreements in the pipeline, which will incorporate the Company's SpendaAR and SpendaAP products, coupled with Payments and Lending.

Another key focus is the launch of the Company's debt warehouse facility. This will provide the finance to satisfy current demand and enable the Company to aggressively scale the business.

Achieving these milestones in the first half of 2022 will then act as a step change to expand the debt warehouse and payments services.

Directors' Report (continued)

Significant Events after reporting date

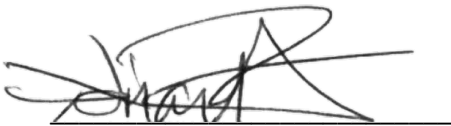
On 4 February 2022, the Company changed its legal name from Cirralto Limited to Spenda Limited.

No other significant events have occurred since the end of the reporting period.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act* 2001 is set out on page 9.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'Adrian Floate', is written over a horizontal line.

Adrian Floate

Chief Executive Officer and Managing Director

Date: 22 February 2022

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Spenda Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
22 February 2022



D I Buckley
Partner

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2021

		Consolidated	
		31 December 2021	31 December 2020
		\$	\$
	Notes		
Revenue – contracts with customers	4	557,343	629,092
Revenue – loan interest	4	361,660	-
		919,003	629,092
Cost of services rendered		(480,857)	(207,505)
Other income	5	33,491	95,093
Employee expenses	5	(4,317,178)	(748,502)
Depreciation and amortisation expense	5	(66,052)	(5,892)
Consulting fees		(554,904)	(295,269)
Legal and other professional fees		(270,579)	(149,876)
Regulatory and listing expenses		(89,062)	(72,366)
Occupancy expenses		(72,210)	(26,705)
Other expenses		(1,116,044)	(246,173)
Finance costs	5	(4,515)	(76,399)
Movement in fair value of financial liabilities		-	(73,712)
Share based payments expense		-	(86,415)
Loss before income tax expense	5	(6,018,907)	(1,264,629)
Income tax benefit		35,222	-
Loss after income tax benefit		(5,983,685)	(1,264,629)
Loss for the period after income tax attributable to owners of Spenda Limited		(5,983,685)	(1,264,629)
Other comprehensive income for the half-year, net of tax		-	-
Foreign currency translation reserve movement		48	-
Total comprehensive loss for the half-year attributable to the owners of Spenda Limited		(5,983,637)	(1,264,629)
Loss per share for the half-year attributable to the members of Spenda Limited			
- Basic loss per share (cents per share)		(0.19)	(0.0875)
- Diluted loss per share (cents per share)		(0.19)	(0.0875)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2021

		Consolidated	
		31 December 2021	30 June 2021
Notes		\$	\$
ASSETS			
Current assets			
		13,033,916	21,385,017
		1,888,350	791,415
	6	8,098,454	-
		726,332	296,989
		23,747,052	22,473,421
Non-current assets			
		82,100	15,789
		-	1,161,062
	7	71,694,964	63,507,863
		-	29,451
		71,777,064	64,714,165
		95,524,116	87,187,586
LIABILITIES			
Current liabilities			
		4,354,290	5,091,365
		-	28,474
		786,280	766,659
	8	4,317,317	-
		9,457,887	5,886,498
		9,457,887	5,886,498
		86,066,229	81,301,088
EQUITY			
	9	160,479,157	149,739,425
	11	8,729,732	8,720,638
		(83,142,660)	(77,158,975)
		86,066,229	81,301,088

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2021

Consolidated						
	Contributed Capital \$	Accumulated Losses \$	Other Reserve \$	Foreign Currency Translation Reserve \$	Share based Payment Reserve \$	Total Equity \$
Balance as at 1 July 2021	149,739,425	(77,158,975)	407,158	48	8,313,480	81,301,088
Loss for the period	-	(5,983,685)	-	-	-	(5,983,685)
Other comprehensive income	-	-	-	48	-	48
Total comprehensive loss for the period	-	(5,983,685)	-	48	-	(5,983,637)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of share capital	10,587,254	-	-	-	-	10,587,254
Options exercised	189,991	-	-	-	-	189,991
Transaction costs related to share issue	(37,513)	-	-	-	-	(37,513)
Consideration paid for options	-	-	9,046	-	-	9,046
Balance as at 31 December 2021	160,479,157	(83,142,660)	416,204	48	8,313,480	86,066,229
Balance as at 1 July 2020	61,123,783	(66,519,907)	600,000	-	2,301,954	(2,494,170)
Loss for the period	-	(1,264,629)	-	-	-	(1,264,629)
Total comprehensive loss for the period	-	(1,264,629)	-	-	-	(1,264,629)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of share capital	9,321,208	-	(600,000)	-	-	8,721,208
Transaction costs related to share issue	-	-	-	-	2,857,716	2,857,716
Fully vested unexercised options	(2,771,766)	-	-	-	-	(2,771,766)
Options issued	-	518,623	-	-	(518,623)	-
Balance as at 31 December 2020	67,673,225	(67,265,913)	-	-	4,641,047	5,048,359

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2021

	Consolidated	
	31 December 2021 \$	31 December 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of goods and services tax)	389,766	390,166
Receipts from loan customers	621,234	-
Payments to suppliers and employees (inclusive of goods and services tax)	(5,709,093)	(1,873,433)
Interest received	18,122	257
Proceeds from government grants and tax incentives	-	151,000
Taxes paid	(930,000)	-
Bank charges and interest paid	(218,580)	(19,866)
Net cash outflow from operating activities	(5,828,551)	(1,351,876)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for plant and equipment	(91,789)	(5,518)
Cash acquired on acquisition of subsidiary	928,503	-
Net movement in client loan book	(2,542,350)	(632,785)
Net cash outflow from investing activities	(1,705,636)	(638,303)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares, net of transaction costs	-	5,769,701
Proceeds from issue of options	-	361,000
Proceeds from exercise of options	183,086	-
Repayment of borrowings	(1,000,000)	(463,352)
Net cash (outflow)/inflow from financing activities	(816,914)	5,667,349
Net (decrease)/increase in cash held	(8,351,101)	3,677,170
Cash and cash equivalents at beginning of period	21,385,017	273,628
Cash and cash equivalents at end of period	13,033,916	3,950,798

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2021

1. CORPORATE INFORMATION

The financial report of Spenda Limited (“Spenda” or the “Company”) and its controlled entities (the “Group”) for the half-year ended 31 December 2021 was authorised for issue in accordance with a resolution of the directors on 22 February 2022.

Spenda is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian stock exchange.

The nature of the operations and principal activities of the Group are described in the directors’ report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This general-purpose financial report for the half-year ended 31 December 2021 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2021 and considered together with any public announcements made by Spenda during the half-year ended 31 December 2021 in accordance with the continuous disclosure obligations of the ASX listing rules.

(b) Accounting policies

The accounting policies have been consistently applied by the entities in the Group and are consistent with those in the 30 June 2021 annual financial report except for the adoption of new and revised Accounting Standards.

New, revised or amending Accounting Standards adopted

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

Additional accounting policies adopted by the group since those disclosed in the 30 June 2021 annual financial report are as below.

Financial assets

The Debtor Finance loans, Trade and Term Loans and Buy Now Pay Later Loans are financial assets that are initially measured at fair value. Transaction costs are included as part of the initial measurement. These financial assets are subsequently measured at amortised cost.

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2021 (continued)

These financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset its carrying value is written off.

The Group recognises a loss allowance for expected credit losses through the statement of profit and loss and other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

New Accounting Standards for Application in Future Periods

The Group has not elected to early adopt any other new standards or amendments that are issued but not yet effective. The new or amended standards are not expected to have a material impact on group accounting policies.

Critical Estimates

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue and makes assumptions to allocate an overall expected loss for each group. These assumptions include recent experience, historical collection rates, the impact of COVID-19 and forward-looking information that is available. As at the half year and based on available information, no expected credit losses have been recorded based on the above assessment. The actual credit losses in the future years may be higher.

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2021 (continued)

(c) Fair value of financial instruments

The Group has a number of financial instruments which are not measured at fair value in the Consolidated Statement of Financial Position. The carrying amount of the other current receivables and current payables approximates their fair value.

3. SEGMENT REPORTING

The Group's operating segment is based on the internal reports that are reviewed and used by the Board of Directors (being the Chief Operating Decision Maker ("CODM")) in assessing performance and in determining the allocation of resources. The Group operates predominantly in the IT software, payments and non-bank lending industry sectors.

During the first half of 2021 and as a result of the acquisition of Invigo, the CODM requested revised reporting segments, being the SaaS, Payments and Lending segments, to reflect how the Group is managed.

Segment	Principal Activities
SaaS & Payments	Provision of software as a service to business customers and merchant payment services.
Lending	Provision of lending services to business customers
Unallocated	Unallocated includes certain head office costs and costs not directly attributable to either segment.

	SaaS & Payments \$	Lending \$	Unallocated \$	Total \$
For the half year ended 31 December 2021				
Revenue	291,351	627,652	-	919,003
Other income	33,491	-	-	33,491
Cost of goods sold	(177,132)	(303,725)	-	(480,857)
Employee benefits expense	(2,588,272)	(379,164)	(1,349,740)	(4,317,178)
Other operating expenses	(227,707)	(136,303)	(1,708,082)	(2,072,092)
Depreciation and amortisation	(65,157)	(895)	-	(66,052)
Loss after income tax	<u>(2,735,216)</u>	<u>(192,435)</u>	<u>(3,056,034)</u>	<u>(5,983,685)</u>

All of the Group's revenues are derived from Australian based entities, and no single customer generates revenue greater than 10% of the Group's total revenue.

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2021 (continued)

3. SEGMENT REPORTING (continued)

	SaaS & Payments \$	Lending \$	Unallocated \$	Total \$
As at the half year ended 31 December 2021				
Current Assets				
Cash and cash equivalents	11,587,836	1,446,080	-	13,033,916
Financial assets	-	8,098,454	-	8,098,454
Unallocated current assets	-	-	2,614,682	2,614,682
Total current assets	11,587,836	9,544,534	2,614,682	23,747,052
Non-Current Assets				
Provisional goodwill	62,158,762	8,179,750	-	70,338,512
Software asset	1,356,452	-	-	1,356,452
Unallocated non-current assets	-	-	82,100	82,100
Total non-current asset	63,515,214	8,179,750	82,100	71,777,064
Current Liabilities				
Financial liabilities	-	4,317,317	-	4,317,317
Trade and other payables	366,151	15,661	-	381,812
Unallocated current liabilities	-	-	4,758,758	4,758,758
Total current liabilities	366,151	4,322,978	4,758,758	9,457,887

4. REVENUE FOR THE PERIOD

	Consolidated	
	Half-year Ended 31 December 2021 \$	Half-year Ended 31 December 2020 \$
Revenue – contracts with customers		
<i>Revenue recognised over time</i>		
Software as a Service	64,252	91,713
<i>Revenue recognised at a point in time</i>		
Hardware	2,268	46,789
Website development	75,000	265,901
Support services	44,389	69,796
Merchant income	27,019	-
Implementation services	78,423	35,094
Service charges & other fees	265,992	-
Other income	-	119,799
Total revenue – contracts with customers	557,343	629,092

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2021 (continued)

4. REVENUE FOR THE PERIOD (continued)

	Consolidated	
	Half-year Ended 31 December 2021 \$	Half-year Ended 31 December 2020 \$
Revenue – loan interest		
Loan interest	361,660	-
Total revenue – loan interest	361,660	-

5. LOSS FOR THE PERIOD

	Consolidated	
	Half-year Ended 31 December 2021 \$	Half-year Ended 31 December 2020 \$
Government subsidies	-	94,643
Interest income	27,214	450
Other income	6,277	-
Total other income	33,491	95,093
Amortisation of intangible assets	46,774	-
Depreciation expense	19,278	5,892
Total depreciation and amortisation	66,052	5,892
Bank fees	2,172	2,795
Other interest expense	2,343	73,604
Total finance costs	4,515	76,399
Directors' remuneration	54,364	45,000
Employee and company secretary fees	4,262,814	703,502
Total remuneration expense	4,317,178	748,502

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2021 (continued)

6. FINANCIAL ASSETS

	Consolidated	
	Half-year Ended 31 December 2021 \$	Year Ended 30 June 2021 \$
Debtor Finance Loans	5,249,166	-
Trade and Term Loans	2,782,666	-
Buy Now Pay Later Loans	66,622	-
Total	8,098,454	-

7. INTANGIBLE ASSETS

	Provisional Goodwill \$	Software \$	Total \$
1 July 2020	-	-	-
Provisional Goodwill on acquisition	63,507,863	-	63,507,863
Balance at 30 June 2021	63,507,863	-	63,507,863
Adjustment to provisional on acquisition of APSG (note 12)	(1,349,101)	-	(1,349,101)
Provisional goodwill on acquisition of Invigo (note 12)	8,179,750	-	8,179,750
Asset acquisition of Greenshoots Software (note 13)	-	1,403,226	1,403,226
Accumulated Amortisation of software IP	-	(46,774)	(46,774)
Balance at 31 December 2021	70,338,512	1,356,452	71,694,964

	Provisional Goodwill \$	Software \$	Total \$
At cost	70,338,512	1,403,226	71,741,738
Accumulated amortisation	-	(46,774)	(46,774)
Balance at 31 December 2021	70,338,512	1,356,452	71,694,964

As disclosed in note 12, the Company has adopted provisional accounting for the assets and liabilities assumed on the acquisition of APSG and Invigo.

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2021 (continued)

Consequently, as at 31 December 2021 the Company has not yet determined identifiable fair value or the useful life of the acquired provisional assets. Furthermore, the Greenshoots software IP has been reviewed by management and determined to have a useful life of 5 years.

8. FINANCIAL LIABILITIES

	Consolidated	
	Half-year Ended 31 December 2021 \$	Year Ended 30 June 2021 \$
Opening balance	-	1,821,751
Interest incurred	246,872	62,539
Foreign exchange movements	-	(26,023)
Fair value movements	-	73,712
Repaid through issue of shares	-	(1,468,627)
Repaid in cash	-	(463,352)
Loan assumed on business combination	4,997,497	-
Repayment of mezzanine debt	(1,000,000)	-
Net drawdowns on facility	72,948	-
Closing balance	4,317,317	-

Financial liabilities relate to a facility held with Moneytech Finance Pty Ltd. The Company has an unsecured facility of \$10,000,000 with a margin rate of 1.91% per annum, a base rate of 6.27% and a monthly line fee of \$6,475 at a term of 36 months.

9. CONTRIBUTED EQUITY

Ordinary shares	No. of shares	Half year ended 31 December 2021 \$
Opening balance	2,951,078,504	149,739,425
Issues of ordinary shares during the half-year:		
Shares issued for the acquisition of a business (note 12)	132,951,740	8,110,156
Exercise of unlisted and listed options	7,599,631	189,991
Employee share option plan issued	5,924,127	355,448
Issued in settlement of debt	5,400,000	324,000
Issued in lieu of fees	8,049,449	394,426
Shares issued for the acquisition of an asset (note 13)	24,193,548	1,403,226
Transaction costs related to share issue	-	(37,515)
Closing balance	3,135,196,999	160,479,157

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2021 (continued)

9. CONTRIBUTED EQUITY (continued)

The shares issued for the acquisition of Invigo, as disclosed in note 12, were valued at fair value on the date of control.

The shares issued for the acquisition of Greenshoots technology asset, as disclosed in note 13, were valued at fair value on the date of control.

The shares issued for settlement of debt were valued at the share price at date of settlement.

The shares issued in lieu of fees were valued at the share price at grant date.

The shares issued under the employee share option plan (ESOP) were valued at the share price at date at grant date.

10. RELATED PARTIES

The following entities have been determined to be related party entities:

Entity	Director/Key Management Personnel
Anthem Software Pty Ltd	Anthem Software Pty Ltd ("Anthem") is a related party entity in which Mr Adrian Floate has a beneficial interest.
Appstablishment Pty Ltd	Appstablishment Pty Ltd ("Appstablishment") is a related party entity. Mr Adrian Floate is a shareholder through his interests in Appstablishment Software Group.
Appstablishment Software Group Pty Ltd	Appstablishment Software Group Pty Ltd ("ASG") is a related party entity. Mr Adrian Floate is a shareholder through his interests in Rare Air Nominees Pty Ltd.
FAAF Pty Ltd ATF Floating Assets Trust	Floating Assets Trust is a related party entity in which Mr Adrian Floate has a beneficial interest.
FAAF Super Fund	Floating Assets super fund is a related party entity in which Mr Adrian Floate has a beneficial interest.
Rare Air Nominees Pty Ltd	Rare Air Nominees Pty Ltd ("Rare Air") is a related party entity. Mr Adrian Floate is a director of both Spend Limited and Rare Air.
Nion Business Consulting Pty Ltd	Nion Business Consulting Pty Ltd ("Nion") is a related party entity. Mr Richard Jarvis is a key management personnel of the Company and a director of Nion.
Tikitbook AU Pty Ltd	Tikitbook AU Pty Ltd ("Tikitbook") is a related party entity. Mr Adrian Floate is a shareholder and was previously a director of Tikitbook.
Humedale Pty Ltd	Humedale Pty Ltd is a related party entity. Mr Stephen Dale is a director of both Spend Limited and Humedale Pty Ltd.

Shares Issued to Related Entities

There were 5.4m ordinary shares with a fair value of \$324,000 issued to Nion Business Consulting Pty Ltd for consideration of services rendered.

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2021 (continued)

10. RELATED PARTIES (continued)

During the half-year period, services have been provided to Directors' and key management personnel related entities as follows:

Director /KMP	Entity	Nature	Half Year Ended 31 December 2021 \$	Half Year Ended 31 December 2020 \$
Adrian Floate	Appstablishment Pty Ltd	IT services	-	105,487
Adrian Floate	Appstablishment Software Group Pty Ltd	Loans advanced	-	1,055,791
Adrian Floate	Anthem Software Pty Ltd	IT Hardware	-	37,333
Adrian Floate	Tikitbook AU Pty Ltd	Website Development	74,205	-
Dave Wood	Appstablishment Pty Ltd	Extinguished liability	(185,000)	-
Richard Jarvis	Jarvis Family Trust	Debt forgiveness	(150,000)	-

Debt forgiveness relates to an Employee Share Ownership Plan ("ESOP") in which employees of the Company are issued shares as an incentive of employment with the Company via a non-recourse loan agreement. Annually, the board reviews the performance of individuals, and at their discretion the loan balance is forgiven. The loan balance is a non-recourse loan that is non-cash in nature. Outstanding balances at period end are unsecured, interest free and settlement occurs in cash.

11. SHARE BASED PAYMENT RESERVE

	31 December 2021		30 June 2021	
	Average Exercise Price per share option		Average Exercise Price per share option	
	No.	\$	No.	\$
Opening balance	285,533,333	0.025	145,300,000	0.024
Listed / Unlisted Options granted during the half-year/year	-	-	219,300,000	0.034
Options expired during the half-year/year	-	-	(22,250,878)	(0.052)
Options exercised during the half year/year	-	-	(56,815,789)	(0.028)
Closing balance	285,533,333	0.025	285,533,333	0.025

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2021 (continued)

12. BUSINESS COMBINATION

On 2 June 2021, Spenda acquired 100% of the ordinary share capital of Appstablishment Software Group Pty Ltd for a total consideration of \$55,400,000 by the issue of 825,000,000 ordinary shares. The business held all rights to the Intellectual Property that the Company that it previously licensed to Spenda, commonly known as the Spenda product suite.

The goodwill of \$62,158,762 (30 June 2021: \$63,507,863) represents the expected synergies from merging the business with the sales and operational teams and eliminating the licensing arrangement. The acquired business contributed revenue of \$12,004 to the Group for the period from 1 June to 30 June 2021. If the entity was acquired on 1 July 2020, the acquired group would have contributed a loss of \$2,016,870 and provided revenue of \$158,105. The values identified in relation to the acquisition of Appstablishment Software Group Pty Ltd are provisional as at 31 December 2021.

In relation to the business acquisition, the consolidated entity has performed a provisional assessment of the fair value of the assets and liabilities as at the date of the acquisition. For the purposes of statement of financial position, the assets and liabilities have been recorded at their provisional fair values. Under Australian Accounting Standards, the consolidated entity has up to 12 months from the date of acquisition to complete its initial acquisition accounting. The consolidated entity has already commenced this exercise to consider the fair value of intangible assets acquired and has reduced the provisional goodwill by \$1,349,101. As at the date of this report, this assessment is not complete.

Details of the acquisition are as follows:

Fair Value	2021 \$
Cash and cash equivalents	17,906
Trade and other receivables	1,599,766
Prepayments	199,266
Plant and equipment	1,509
Trade and other payables	(4,059,766)
Other loans	(3,879,512)
Provisions	(637,931)
Net liabilities acquired	(6,758,762)
Excess consideration over liabilities acquired	62,158,762
Acquisition Date Fair Value of Total Consideration Transferred	55,400,000
Representing:	
Cash paid or payable to vendor	-
Share based consideration	55,400,000

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2021 (continued)

12. BUSINESS COMBINATION (continued)

On 26 July 2021, Spenda acquired 100% of the ordinary share capital of Invigo Pty Ltd for the total consideration of \$8,110,056 by the issue of 132,951,740 ordinary shares. The business holds an established debt book and adds to the service offering that Spenda can provide its clients.

The goodwill of \$8,179,750 represents the expected synergies and opportunity that the Company now has with its ability to offer debt as a service offering, and the inclusion of significant experience in the operations team. The acquired business contributed revenue of \$627,652 to the Group for the period from 26 July to 31 December 2021. The values identified in relation to the acquisition of Invigo Pty Ltd are provisional as at 31 December 2021.

In relation to the business acquisition, the consolidated entity has performed a provisional assessment of the fair value of the assets and liabilities as at the date of the acquisition. For the purposes of the statement of financial position, the assets and liabilities have been recorded at their provisional fair values as at 31 December 2021. Under Australian Accounting Standards, the consolidated entity has up to 12 months from the date of acquisition to complete its initial acquisition accounting. The consolidated entity has already commenced this exercise to consider the fair value of intangible assets acquired. As at the date of this report, this assessment is not complete.

Details of the acquisition are as follows:

Fair Value	2021 \$
Cash and cash equivalents	928,503
Financial Assets	4,708,643
Plant and equipment	7,741
Other current assets	459,471
Trade and other payables	(92,765)
Other loans	(6,052,497)
Provisions	(28,790)
Net liabilities acquired	(69,694)
Excess consideration over liabilities acquired	8,179,750
Acquisition Date Fair Value of Total Consideration Transferred	8,110,056
Representing:	
Cash paid or payable to vendor	-
Share based consideration	8,110,056

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2021 (continued)

13. ASSET ACQUISITION

On 4 November 2021, the Company acquired all of the issued capital in Greenshoots. The consideration for the acquisition is 100% scrip based, with Spenda agreeing to issue in aggregate 24,193,548 fully paid shares in the capital of Spenda (“Consideration Shares”) to the shareholders of Greenshoots at completion, with the consideration shares having:

- A deemed issue price of approximately \$0.062 per Consideration Share; and
- A total aggregate value of approximately \$1.5m

Following the completion, Greenshoots may, subject to various milestones, also potentially be issued with up to 58,064,515 additional fully paid ordinary shares in the capital of Spenda (“Deferred Consideration Shares”) on the following basis:

- Subject to the Company obtaining ASX approval and/or shareholder approval (if applicable), within 14 days following the product launch of the Company’s Spenda Pay and Desk product, the Company will issue Vendors (in aggregate) a total of 24,193,548 Deferred Consideration Shares.
- Subject to the Company obtaining ASX approval and/or shareholder approval (if applicable), within 14 days following the product launch of the Company’s Spenda eCommerce product, the Company will issue Vendors (in aggregate) a total of 24,193,548 Deferred Consideration Shares.
- Subject to the Company obtaining ASX approval and/or shareholder approval (if applicable), within 14 days following the satisfaction by Greenshoots of at least \$600,000 in revenue in any measurement period, the Company will issue to the vendors (in aggregate) a total of 9,677,419 Deferred Consideration Shares.

For the purposes of the above, the measurement period means any 12-month period which either:

- Commences on 1 January and expires on 31 December; or
- Commences on 1 July and expires on 30 June; and

The fair value attributable to the technology was \$1,403,226.

14. DIVIDENDS

No dividends have been paid, declared or proposed for the half-year period.

15. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2021.

16. SIGNIFICANT EVENTS AFTER REPORTING DATE

On 4 February 2022, the Company changed its legal name from Cirralto Limited to Spenda Limited.

No other significant events have occurred since the end of the reporting period.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Spenda Limited made pursuant section 303(5)(a) of the Corporations Act 2001, we state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2021 and the performance for the half-year ended on that date;
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) subject to the commentary in note 2 (c) of the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Adrian Floate

Chief Executive Officer and Managing Director

Date: 22 February 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Spenda Limited (formerly Cirralto Limited)

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Spenda Limited ("the company") which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Spenda Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
22 February 2022



D I Buckley
Partner