Appendix 4D

Half-Year Report

Name of Entity

Spenda 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 2022

Results for announcement to the market

	$
Revenues from ordinary activities	Up from $919,003 to $1,316,195
Net loss for the period attributable to members	Down from $5,983,685 to $5,674,166

Explanation of Net Loss

The consolidated net loss for the half-year after income tax attributable to members of the parent entity amounted to $5,674,166 (2021 December loss: $5,983,685). The adjusted net loss, after adding back material non-cash items, including depreciation and amortisation expense and share based payments expense is summarised below:

	Half year ended 31 December 2022 $	Half year ended 31 December 2021 $
Net loss for the half-year after income tax attributable to members of the parent entity	**(5,674,166)**	(5,983,685)
Add back material non-cash items:		
Depreciation and amortisation expense	**1,896,295**	66,052
Share based payments expense	**980,312**	-
Adjusted net loss	**2,797,559**	**5,917,633**

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

Net tangible assets	Current reporting period	Previous reporting period
Net tangible assets per ordinary security (in cents)	0.003	0.46

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

   Appstablishment Software Group Pty Ltd (Deregistered on 25 January 2023).

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: ______________________ Date: 28 February 2023

Justyn Stedwell
Company Secretary

Spenda Limited

ABN 67 099 084 143

Half Year Report

Half-year ended 31 December 2022

Payments. Lending. Software. Integration.

Contents

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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North Sydney NSW 2060

Principal place of business

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Bankers

Australian & New Zealand Banking Group Limited
833 Collins Street
Melbourne VIC 3000
Phone: +61 3 9273 5555

Auditors

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

Solicitors

Murcia Pestell Hillard
Suite 183, Level 6
580 Hay Street
Perth WA 6000

Stock exchange listing

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

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 2022.

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 $5,674,166 (2021 December loss: $5,983,685).

Operational Update

The half year ended 31 December 2022 represented a period of structured growth for the Company – providing businesses with integrated **Software as a Service** ("SaaS") applications, **Payments** and **Non-Bank Lending** services – through the establishment of a corporate debt facility and continued roll out of Spenda's services to contracted customers.

The Company was focused on delivering strategic milestones that continued to build business capacity and allow it to satisfy customer demand for better payment infrastructure and access to flexible working capital solutions.

As announced on 1 August 2022, the establishment of a debt warehouse facility is a critical element in the Company's strategy. Access to debt not only allows the Company to scale its lending revenue but it also facilitates an increase in its payments processing income, through lending transactions processed via the Spenda platform.

Convergence of Payments and Lending services delivers operational and cash flow benefits to business customers who can access triggered offers for credit from within the Spenda ecosystem. Securing the debt warehouse with a prominent Australian private credit fund brings the Company closer to becoming the de-facto standard in the provision of trade credit, with Spenda being viewed by its customers as a working capital solution, rather than them using traditional banks for such services.

Since the acquisition of Invigo in July 2021 the Company has achieved lending portfolio growth of 185%.

Directors' Report (continued)

Operational Update (continued)

In December 2022, the Company announced that the Spenda solution would be rolled out to the Carpet Court franchise network as their Standard Operating Environment ("SOE") across all 200+ stores, with a target completion of April 2023. The Carpet Court engagement showcases the value chain benefits that are delivered through adoption of the Spenda platform and provides a practical example of the Company's '***node and spoke***' strategy – focusing on the acquisition of conduit partners (in this case Carpet Court's National Support Centre ("NSC") as the **node** and the Carpet Court franchise network as the **spokes**).

Payments processed via the Spenda platform increase productivity and create efficiencies for both the individual member stores and the NSC by automatically allocating and reconciling payments in the Accounts Payable and the Accounts Receivable ledgers of the store and the NSC respectively. Spenda receives revenue streams from monthly SaaS fees and Transaction-related Payment fees, calculated on payment volume processed.

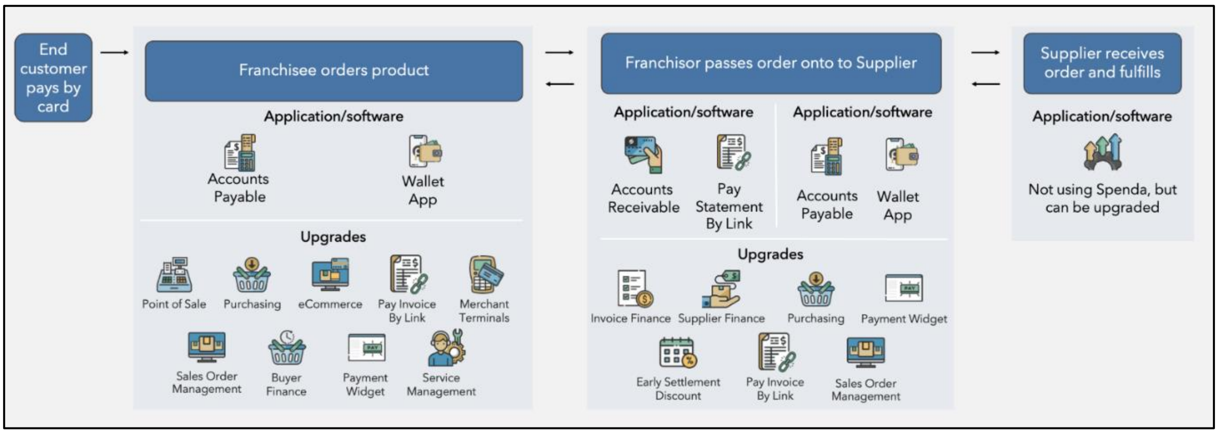

Figure 1: Payment flow in a typical Franchisor / Franchisee network

As announced on 28 December 2022, the Company entered into a new two-year Payment Facilitator Agreement. Under this agreement, the Company and First Data Merchant Services Australia Pty Ltd ("Fiserv") will operate under a Delegated Credit Authority where Spenda acts as the entity that controls the flow of funds between businesses and has the responsibility for paying these funds to the businesses transacting via Spenda's platform. The commercial impact of securing this agreement means the Company increases its net payment margins while also delivering customer improvements through a stronger user engagement and enhanced onboarding experience.

Throughout the period the Company continued development work to enhance its core software stack and capabilities, which included adding functionality to existing services and completing the Company's first mobile application – Spenda Wallet. The first release of the Spenda Wallet app is designed as a companion to Spenda's Accounts Payable product as an on-the-go payment authenticator service for users with banking approval rights. The app delivers significant improvements in the Accounts Payable processing time, improving payment security and unlocking more payment options for businesses. The system architecture behind the app has been specifically designed with the vision to transition to a true consumer application in the future that will allow any user to pay and track purchases.

Directors' Report (continued)

Operational Update (continued)

Outlook for 2023:

The half year ended 31 December 2022 was focused on achieving several key strategic goals that provide the enablers for the Company to rapidly scale revenue in 2023 and beyond.

During a period of continued economic uncertainty, the Company has delivered consistent revenue growth over the last three years, as depicted in *Figure 2* below. Continuing to deliver revenue growth in both payment volumes and drawing further funds from the debt warehouse to deploy to customers is the Company's primary focus moving forward.

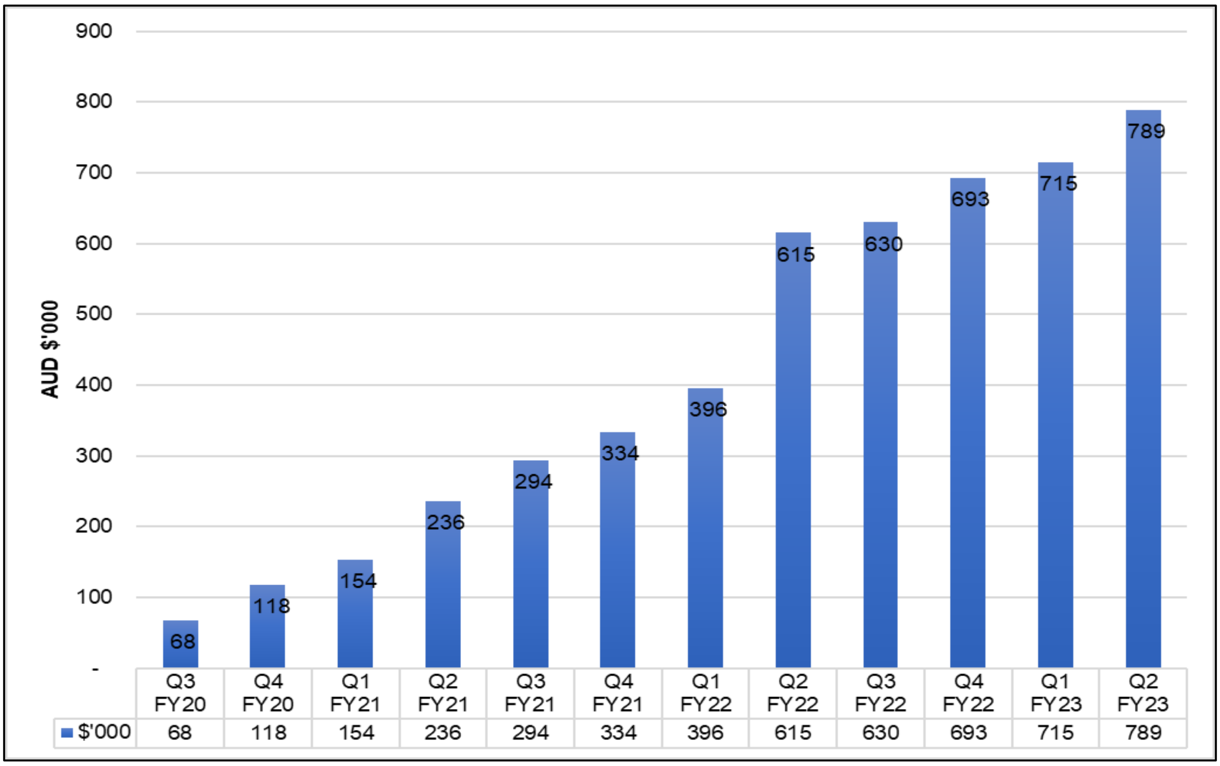

Figure 2: Cash Receipts from Customers by Quarter

The prior period was foundational and represented a period of consolidation for the Company, having successfully acquired three synergistic businesses and merged all into one single enlarged entity, which positioned the Company to offer a novel and a blended service solution for businesses, that encapsulates SaaS, Payments and Non-Bank Lending services.

The current period represented a period of structured growth for the Company, working towards the establishment of its debt warehouse facility and continued roll out of Spenda's services to its customer base.

Moving forward and as noted above, the Company's primary focus is to **scale revenue**, through deployment of its services to new and existing customers. The Company is at a true inflection point and the culmination of the above events is part of a very focused growth strategy that is designed to move the Company towards cashflow positivity.

Directors' Report (continued)

Significant Events after reporting date

On 6 February 2023, the Company invested $1.025m for a 5% equity interest in Fresh Supply Co Pty Ltd to continue its growth into the Agricultural Business sector.

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 10.

Signed in accordance with a resolution of the directors.

Adrian Floate
Chief Executive Officer and Managing Director
Date: 28 February 2023

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 2022, 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
28 February 2023

D I Buckley
Partner

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2022

		Consolidated	
	Notes	**31 December 2022 $**	31 December 2021 $
Revenue – including SaaS and Payments	4	**233,892**	557,343
Revenue – loan interest	4	**1,082,303**	361,660
	4	**1,316,195**	919,003
Cost of services rendered		**(658,392)**	(480,857)
Other income	5	**305,934**	33,491
Employee expenses	5	**(2,600,484)**	(4,317,178)
Depreciation and amortisation expense	5	**(1,896,295)**	(66,052)
Consulting fees		**(94,550)**	(554,904)
Legal and other professional fees		**(365,710)**	(270,579)
Regulatory and listing expenses		**(79,022)**	(89,062)
Occupancy expenses		**(75,885)**	(72,210)
Other expenses		**(535,824)**	(1,116,044)
Finance costs		**(2,191)**	(4,515)
Share based payments expense	5	**(980,312)**	-
Loss before income tax expense		**(5,666,536)**	(6,018,907)
Income tax (expense)/benefit		**(7,630)**	35,222
Loss after income tax (expense)/benefit		**(5,674,166)**	(5,983,685)
Loss for the period after income tax attributable to owners of Spenda Limited		**(5,674,166)**	(5,983,685)
Other comprehensive income for the half-year, net of tax			
Foreign currency translation reserve movement		**12,253**	48
Total comprehensive loss for the half-year attributable to the owners of Spenda Limited		**(5,661,913)**	(5,983,637)
Loss per share for the half-year attributable to the members of Spenda Limited			
- Basic loss per share (cents per share)		**(0.18)**	(0.19)
- Diluted loss per share (cents per share)		**(0.18)**	(0.19)

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 2022

		Consolidated	
	Notes	**31 December 2022 $**	30 June 2022 $
ASSETS			
Current assets			
Cash and cash equivalents		**4,336,080**	7,614,814
Trade and other receivables		**598,951**	3,038,257
Inventory		**41,810**	76,535
Financial assets	6	**13,405,773**	12,122,549
Other current assets		**993,159**	789,297
Total current assets		**19,375,773**	23,641,452
Non-current assets			
Plant and equipment		**51,588**	68,166
Intangible assets	7	**30,692,914**	30,616,774
Right of use assets		**527,113**	-
Total non-current assets		**31,271,615**	30,684,940
TOTAL ASSETS		**50,647,388**	54,326,392
LIABILITIES			
Current liabilities			
Trade and other payables		**1,647,065**	2,139,481
Lease liabilities		**83,051**	-
Provisions		**503,088**	466,131
Financial liabilities	8	**66,113**	8,269,083
Total current liabilities		**2,299,317**	10,874,695
Non-Current liabilities			
Lease liabilities		**498,424**	-
Provisions		**140,585**	52,693
Financial liabilities	8	**7,996,689**	-
Total non-current liabilities		**8,635,698**	52,693
TOTAL LIABILITIES		**10,935,015**	10,927,388
NET ASSETS		**39,712,373**	43,399,004
EQUITY			
Contributed equity	9	**161,824,253**	160,933,168
Reserves	11	**9,966,091**	8,869,641
Accumulated losses		**(132,077,971)**	(126,403,805)
TOTAL EQUITY		**39,712,373**	43,399,004

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 2022

						Consolidated
	Contributed Equity $	Accumulated Losses $	Option Premium Reserve $	Foreign Currency Translation Reserve $	Share based Payment Reserve $	Total Equity $
Balance as at 1 July 2022	**160,933,168**	**(126,403,805)**	**407,158**	**(7,591)**	**8,470,074**	**43,399,004**
Loss for the period	-	(5,674,166)	-	-	-	**(5,674,166)**
Other comprehensive income	-	-	-	12,253	-	**12,253**
Total comprehensive loss for the period	-	(5,674,166)	-	12,253	-	**(5,661,913)**
Transactions with owners in their capacity as owners:						
Issue of share capital	910,322	-	-	-	-	**910,322**
Options exercised	313	-	-	-	-	**313**
Transaction costs related to share issue	(19,550)	-	-	-	-	**(19,550)**
Share based payment	-	-	-	-	1,084,197	**1,084,197**
Balance as at 31 December 2022	**161,824,253**	**(132,077,971)**	**407,158**	**4,662**	**9,554,271**	**39,712,373**
Balance as at 1 July 2021	**149,739,425**	**(77,158,975)**	**407,158**	**-**	**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)**
Transactions with owners in their capacity as owners:						
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**

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 2022

	Consolidated	
	31 December 2022 $	31 December 2021 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of goods and services tax)	**365,774**	389,766
Receipts from loan customers	**1,139,813**	621,234
Payments to suppliers and employees (inclusive of goods and services tax)	**(3,826,831)**	(5,709,093)
Interest received	**34,454**	18,122
Proceeds from government grants and tax incentives	**1,608,499**	-
Taxes paid	**(67,000)**	(930,000)
Bank charges and interest paid	**(292,766)**	(218,580)
Net cash outflow from operating activities	**(1,038,057)**	(5,828,551)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for plant and equipment	**(4,740)**	(91,789)
Payment for intangible assets	**(1,655,890)**	-
Cash acquired on acquisition of subsidiary	**-**	928,503
Net movement in client loan book	**297,000**	(2,542,350)
Net cash outflow from investing activities	**(1,363,630)**	(1,705,636)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares, net of transaction costs	**(5,618)**	-
Proceeds from exercise of options	**-**	183,086
Transaction costs related to loan borrowings	**(871,429)**	-
Repayment of borrowings	**-**	(1,000,000)
Net cash outflow from financing activities	**(877,047)**	(816,914)
Net decrease in cash held	**(3,278,734)**	(8,351,101)
Cash and cash equivalents at beginning of period	**7,614,814**	21,385,017
Cash and cash equivalents at end of period	**4,336,080**	13,033,916

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 2022

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 2022 was authorised for issue in accordance with a resolution of the directors on 28 February 2023.

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 2022 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 2022 and considered together with any public announcements made by Spenda during the half-year ended 31 December 2022 in accordance with the continuous disclosure obligations of the ASX listing rules.

Going concern

For the half year ended 31 December 2022, the Group recorded a net loss after tax of $5,674,166 and had operating cash outflows of $1,038,057. As at 31 December 2022, the Group's cash and cash equivalents amounted to $4,336,080 with a restricted cash balance of $977,895. The Group has implemented a number of measures to improve its revenue and margins, as well as to manage its operating expenditure. These initiatives include the following:

- Growth of offshore workforce to enable the Group to increase its development team and employment resources at a more efficient rate;
- Growth of its loan receivables book through the use of its debt warehouse facility;
- Execution of its existing key strategic customers and partnerships, most notably Carpet Court;
- Salary sacrifice arrangements, where the Board, Executive Leadership Team and management can elect to receive their net salary in ordinary shares of the Company; and
- The ability for the Group to raise additional capital if required.

For the half-year ended 31 December 2022 (continued)

The directors have reviewed the Group's cash flow projections, which cover a period of not less than twelve months from the date of approval of these consolidated financial statements and are of the opinion that the Group will have sufficient financial resources to satisfy its future working capital requirements and to meet its financial obligations as an when they fall due within the next twelve months from the date of approval of the consolidated financial statements for the half-year ended 31 December 2022. The directors believe that the Group can continue to access debt and equity funding to meet its working capital requirements. Accordingly, the directors consider that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis.

Notwithstanding the above, there remains material uncertainty as to whether the Group can raise sufficient funding as outlined above which may cast doubt about the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the consolidated financial statements.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of the Group's assets or to the amounts and classification of liabilities which might be necessary should the Group not continue as a going concern.

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 2022 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 ("AASB") that are relevant to their operations and effective for the current reporting period.

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. No material change to accounting policies was required in adoption of new and revised standards and interpretations.

Critical Estimates

The preparation of the half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Except for below, in preparing this half-year financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2022.

Impairment of goodwill and Intangible assets

At the end of each reporting period, an assessment is made as to whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including market conditions and asset specific matters. If such an indication exists, an impairment test is carried out on the asset by comparing the asset's carrying amount to its estimated recoverable amount, being the higher of fair value less costs to sell and value in use. Value in use is determined on the basis of the expected net cashflows that will be received from the assets employment and subsequent disposal discounted to their present value.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in statement of profit or loss and other comprehensive income.

c) Fair value of financial instruments

The Group has several financial instruments which are not measured at fair value in the Consolidated Statement of Financial Position. The carrying amount of those financial instruments approximates their fair value.

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2022 (continued)

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.

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 2022				
Revenue	150,268	1,138,532	27,395	**1,316,195**
Other income	-	-	305,934	**305,934**
Cost of services rendered	(86,311)	(537,181)	(34,900)	**(658,392)**
Other	-	-	(4,731,787)	**(4,731,787)**
EBITDA	63,957	601,351	(4,433,358)	**(3,768,050)**
Depreciation and amortisation	(1,650,079)	(246,216)	-	**(1,896,295)**
Finance costs	-	-	(2,191)	**(2,191)**
Loss before income tax	(1,586,122)	355,135	(4,435,549)	**(5,666,536)**
Income tax expense	-	-	(7,630)	**(7,630)**
Loss after income tax	(1,586,122)	355,135	(4,443,179)	**(5,674,166)**

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2022 (continued)

3. SEGMENT REPORTING (continued)

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.

	SaaS & Payments $	Lending $	Unallocated $	**Total $**
As at the half year ended 31 December 2022				
Current Assets				
Cash and cash equivalents	225,989	1,980,489	2,129,602	**4,336,080**
Trade and other receivables	47,156	27,399	-	**74,555**
Financial assets	-	13,405,773	-	**13,405,773**
Unallocated current assets	-	-	1,559,365	**1,559,365**
Total current assets	273,145	15,413,661	3,688,967	**19,375,773**
Non-Current Assets				
Intangible asset	22,443,595	8,249,319	-	**30,692,914**
Unallocated non-current assets	-	-	578,701	**578,701**
Total non-current asset	22,443,595	8,249,319	578,701	**31,271,615**
Current Liabilities				
Financial liabilities	-	66,113	-	**66,113**
Trade and other payables	388,186	371,376	-	**759,562**
Unallocated current liabilities	-	-	1,473,642	**1,473,642**
Total current liabilities	388,186	437,489	1,473,642	**2,299,317**
Non-Current Liabilities				
Financial liabilities	-	7,996,689	-	**7,996,689**
Unallocated current liabilities	-	-	639,009	**639,009**
Total current liabilities	-	7,996,689	639,009	**8,635,698**

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2022 (continued)

3. SEGMENT REPORTING (continued)

	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 services rendered	(177,132)	(303,725)	-	**(480,857)**
Other operating expenses	(227,707)	(136,303)	(1,743,304)	**(2,107,314)**
Employee benefits expense	(2,588,272)	(379,164)	(1,349,742)	**(4,317,178)**
EBITDA	(2,668,269)	(191,540)	(3,093,046)	**(5,952,855)**
Depreciation and amortisation	(65,157)	(895)	-	**(66,052)**
Loss before income tax	(2,733,426)	(192,435)	(3,093,046)	**(6,018,907)**
Income tax expense	-	-	35,222	**35,222**
Loss after income tax	(2,733,426)	(192,435)	(3,057,824)	**(5,983,685)**

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.

	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**
Intangible 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	4,332,978	4,758,758	**9,457,887**

4. REVENUE FOR THE PERIOD

	Consolidated	
	Half-year Ended 31 December 2022 $	Half-year Ended 31 December 2021 $
Revenue – contracts with customers		
Revenue recognised over time		
Software as a Service	**45,848**	64,252
Loan interest	**1,082,303**	361,660
Revenue recognised at a point in time		
Hardware	**19,650**	2,268
Website development	**-**	75,000
Support services	**58,550**	44,389
Merchant income	**45,870**	27,019
Implementation services	**7,745**	78,423
Service charges on other fees	**19,650**	265,992
Other income	**36,579**	-
Total revenue – contracts with customers	**1,316,195**	919,003

5. LOSS FOR THE PERIOD

	Consolidated	
	Half-year Ended 31 December 2022 $	Half-year Ended 31 December 2021 $
Interest income	**32,837**	27,214
Other income	**273,097**	6,277
Total other income	**305,934**	33,491
Amortisation of intangible assets	**1,659,249**	46,774
Amortisation of right of use assets	**47,919**	-
Amortisation of borrowing transaction costs	**159,390**	-
Depreciation expense	**29,737**	19,278
Total depreciation and amortisation	**1,896,295**	66,052
Directors' remuneration	**96,818**	54,364
Employee and company secretary fees	**2,503,666**	4,262,814
Total remuneration excluding share based payments	**2,600,484**	4,317,178

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2022 (continued)

5. LOSS FOR THE PERIOD (continued)

	Consolidated	
	Half-year Ended 31 December 2022 $	Half-year Ended 31 December 2021 $
Shares and option expenses	**980,312**	-
Total share-based payment expense	**980,312**	**-**

6. FINANCIAL ASSETS

	Consolidated	
	Half-year Ended 31 December 2022 $	Year Ended 30 June 2022 $
Client loans - invoice finance loans	**8,840,227**	6,799,578
Client loans - trade and term loans	**4,565,546**	5,322,971
Total	**13,405,773**	12,122,549

The Company made an assessment at the half year ended and based available information an allowance for credit loss of $7,617 (30 June 2022: $9,967) has been recorded. The actual credit losses in future years may be higher.

7. INTANGIBLE ASSETS

	Consolidated	
	Half-year Ended 31 December 2022 $	Year Ended 30 June 2022 $
Software Development		
Software asset	**18,474,031**	16,738,642
Less: accumulated amortisation	**(5,165,708)**	(3,521,393)
Total	**13,308,323**	13,217,249
Customer Contracts		
Customer contracts	**611,889**	611,889
Less: accumulated amortisation	**(48,856)**	(33,922)
Total	**563,033**	577,967
Goodwill		
Goodwill on acquisition of ASG	**50,908,765**	50,908,765
Goodwill on acquisition of Invigo	**7,446,056**	7,446,056
Less: impairment charge	**(41,533,263)**	(41,533,263)
Total	**16,821,558**	16,821,558
Total	**30,692,914**	30,616,774

7. INTANGIBLE ASSETS (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are detailed below:

	Goodwill ASG $	Goodwill Invigo $	Software Assets $	Customer Contracts $	**Total $**
Opening balance as at 1 July 2022	**9,375,502**	**7,446,056**	**13,217,249**	**577,967**	**30,616,774**
Additions	-	-	1,735,389	-	**1,735,389**
Amortisation charge	-	-	(1,644,315)	(14,934)	**(1,659,249)**
Closing balance as at 31 December 2022	**9,375,502**	**7,446,056**	**13,308,323**	**563,033**	**30,692,914**
Opening balance as at 1 July 2021	**63,507,863**	**-**	**-**	-	**63,507,863**
ASG Purchase Price Allocation	(12,599,098)	-	15,000,000	-	**2,400,902**
Invigo Purchase Price Allocation	-	7,446,056	305,416	611,889	**8,363,361**
Acquisition of Greenshoots	-	-	1,403,226	-	**1,403,226**
Additions	-	-	30,000	-	**30,000**
Amortisation charge	-	-	(3,521,393)	(33,922)	**(3,555,315)**
Impairment of goodwill	(41,533,263)	-	-	-	**(41,533,263)**
Closing balance as at 30 June 2022	**9,375,502**	**7,446,056**	**13,217,249**	**577,967**	**30,616,774**

Assessment of Impairment

The Company is required to assess the recoverable value for the goodwill if any indicators exist to suggest the assets are impaired. The ASG goodwill has a carrying value of $9,375,502. The Invigo goodwill has a carrying value of $7,446,056. The Company has assessed that there are indicators of impairment present to the ASG goodwill due, primarily due to timing assumptions relating to the execution and related rollout of services to key strategic customers , and as a result has tested for impairment by calculating the recoverable value and comparing to the carrying value. The Company has assessed that there are no indicators of impairment for the Invigo goodwill.

The ASG Goodwill is part of the SaaS and Payments CGU, the SaaS and Payments CGU's carrying amount was calculated based on the values of the following assets and liabilities as disclosed in note 3.

- Trade and other receivables of $47,156
- Intangible assets of $22,443,595, including goodwill of $9,375,502.
- Trade and other payables of ($388,186)

7. INTANGIBLE ASSETS (continued)

The recoverable amount of the Group's SaaS and Payments CGU has been determined by a value-in-use calculation using a discounted cash flow model, based on a 5-year projection period approved by management, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for the SaaS and Payments CGU:

- 23.9% low pre-tax discount rate and 25.7% high pre-tax discount rate;
- 2.5% per annum projected long term revenue growth rate used in calculating the terminal value;
- 2.5% per annum increase in operating costs and overhead used in calculating the terminal value; and
- Growth rates of 1015% in 2024, 36% in 2025, 8% in 2026 and 0.9% in 2027.

The discount rate reflects management's estimate of the time value of money and the Group's weighted average cost of capital, adjusted for the SaaS and payments division, the risk-free rate and the volatility of the share price relative to market movements.

Management believes the projected revenue growth rates are prudent and justified, based on the activity and its current deal flow.

Based on the above, no impairment was indicated.

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2022 (continued)

8. FINANCIAL LIABILITIES

		Consolidated
	At amortised cost	Total
Current		
Unpaid interest in finance facility	**66,113**	**66,113**
Closing balance	**66,113**	**66,113**

		Consolidated
	At amortised cost	Total
Non-Current		
Finance facility	**9,000,000**	**9,000,000**
Loan establishment cost	**(1,162,701)**	**(1,162,701)**
Accumulated amortisation	**159,390**	**159,390**
Closing balance	**7,996,689**	**7,996,689**

		Consolidated
	Half-year Ended 31 December 2022 $	Year Ended 30 June 2022 $
Opening balance	**8,269,083**	-
Capitalised transaction costs on establishment of loan	**(1,162,701)**	-
Accumulated amortisation	**159,390**	-
Unpaid interest	**66,113**	-
Net drawdowns on facility	**730,917**	8,269,083
Closing balance	**8,062,802**	8,269,083

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2022 (continued)

8. FINANCIAL LIABILITIES (continued)

The Company entered into a debt facility agreement with an initial $15m Corporate Facility, with a prominent Australian private credit fund. The terms of the fund were as follows:

- Term of 36 months from the date of drawdown;
- Fixed interest rate; and
- The issuance of 80,546,396 call options at 4.2 cent per option, with 50% vesting on financial close and 50% vesting pro-rate on utilisation of $25 million of the facility.

The previous facility with Moneytech Finance Pty Ltd was terminated upon the finalisation of the debt facility agreement as noted above.

9. CONTRIBUTED EQUITY

	Consolidated	
	Half-year Ended 31 December 2022 $	Year Ended 30 June 2022 $
Ordinary shares	**161,824,253**	160,933,168

	Consolidated			
Ordinary shares	**31 December 2022 No. Shares**	**$**	30 June 2022 No. Shares	$
Opening balance	**3,181,661,739**	**160,933,168**	2,951,078,504	149,739,425
Exercise of unlisted and listed options	**12,500**	**313**	7,952,675	198,817
Employee share option plan/incentive plan	**19,000,000**	**226,000**	12,186,680	416,073
Issued in lieu of fees	**9,073,100**	**108,731**	47,898,592	791,705
Issued in settlement of debt	**-**	**-**	5,400,000	324,000
Issued as part of business combination	**-**	**-**	132,951,740	8,110,156
Issued as part of asset acquisition	**-**	**-**	24,193,548	1,403,226
Issued to employees as a salary sacrifice arrangement	**53,231,777**	**575,591**	-	-
Transactions costs related to share issue	**-**	**(19,550)**	-	(50,234)
Closing balance	**3,262,979,116**	**161,824,253**	3,181,661,739	160,933,168

9. CONTRIBUTED EQUITY (continued)

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 Ownership Plan ("ESOP") were valued at the share price at date at grant date.

The shares issued under for salary sacrifice arrangements were valued at the share price at grant date.

10. RELATED PARTIES

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

Entity	Director/Key Management Personnel
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 Spenda Limited and Humedale Pty Ltd.
The Jarvis Family Trust	Jarvis Family Trust ("JFT") is a related party entity. Mr Richard Jarvis is a key management personnel of the Company and a director of the trust.
The Woods Family Trust	Woods Family Trust ("WFT") is a related party entity. Mr David Wood is a key management personnel of the Company and a director of the trust.
The Hilton Family Trust	Hilton Family Trust ("HFT") is a related party entity. Mr Andrew Hilton is a key management personnel of the Company and a director of the trust.

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2022 (continued)

10. RELATED PARTIES (continued)

During the half-year period, services have been provided to Directors' and Key Management Personnel ("KMP") related entities as follows:

Director/KMP	Entity	Detail	**Half Year Ended 31 December 2022 $**	Half Year Ended 31 December 2021 $
Peter Richards	N/A	Shares issued under salary sacrifice arrangement	(51,453)	-
Adrian Floate	Tikitbook AU Pty Ltd	Website Development	-	74,205
Adrian Floate	N/A	Shares issued under incentive plan	(57,000)	-
Adrian Floate	N/A	Shares issued under salary sacrifice arrangement	(146,668)	-
Howard Digby	N/A	Shares issued under salary sacrifice arrangement	(42,001)	-
Richard Jarvis	JFT	Debt forgiveness	-	(150,000)
	JFT	Shares issued under incentive plan	(52,000)	-
	JFT	Shares issued under salary sacrifice arrangement	(74,165)	-
	JFT	Options issued under incentive plan	(40,000)	-
Dave Wood	Appstablishment Pty Ltd	Extinguished liability	-	(185,000)
	WFT	Shares issued under incentive plan	(39,000)	-
	WFT	Shares issued under salary sacrifice arrangement	(61,995)	-
	WFT	Options issued under incentive plan	(33,750)	-
Andy Hilton	HFT	Shares issued under incentive plan	(39,000)	-
	HFT	Shares issued under salary sacrifice arrangement	(61,995)	-
	HFT	Options issued under incentive plan	(33,750)	-

Debt forgiveness relates to an 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.

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2022 (continued)

11. OPTION AND SHARE BASED PAYMENT RESERVE

	Consolidated	
	Half-year Ended 31 December 2022 $	Year Ended 30 June 2022 $
Share based payment reserve	**9,554,271**	8,470,074
Option premium reserve	**407,158**	407,158
Foreign currency translation reserve	**4,662**	(7,591)
Closing balance	**9,966,091**	8,869,641

	31 December 2022 No.	**Average Exercise Price per share option $**	30 June 2022 No.	Average Exercise Price per share option $
Opening balance	**517,797,325**	**0.040**	285,533,333	0.046
Granted during the year	**99,745,594**	**0.032**	271,050,000	0.032
Expired during the year	**-**		(30,833,333)	0.044
Exercised during the year	**-**		(7,952,675)	0.025
Closing balance	**617,542,919**	**0.039**	517,797,325	0.040

The following table represents the various securities issued by the Company as listed option share-based payments during the year and their fair value:

Class	Grant date	Aware type	Vesting date	Vesting condition	Expiry date	Number of options	Fair value	Exercise price
A	27 Sep 2022	Grant to KMP	27 Sep 2022	100% vesting	28 July 2023	21,500,000	$0.0050	$0.025
B	27 Sep 2022	Grant to consultants	27 Sep 2022	33% vest 1 November 2022 subject to market conditions, 33% vest 1 February 2023 subject to market conditions, 33% vest 1 May 2023 subject to market conditions	28 July 2023	22,000,000	$0.0020	$0.025
C	6 December 2022	Grant to KMP	6 December 2022	100% vesting	28 July 2023	8,750,000	$0.0020	$0.025

The cost of listed options used the last day of trading prior to the issue of these options, or consideration paid for these options.

Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2022 (continued)

11. OPTION AND SHARE BASED PAYMENT RESERVE (continued)

The cost of equity transactions is determined by using the fair value of the options at the grant date using the Black-Scholes-Merton model. The fair value is determined in accordance with the fair market value of the shares available at the grant date and identified above.

Some inputs to the models require the application of judgement. The fair value of unlisted options granted during the period were estimated on the grant date using the assumptions set out below:

Class	Number	Detail	Vesting date	Fair Value	Volatility	Risk-free rate	Exercise price
A	40,273,698	Options granted to debt facility owner	15-August-22	$0.0080	103.7%	0.2695%	$0.042
B	805,474	Options granted to debt facility owner	15-August-22	$0.0080	103.7%	0.2695%	$0.042
C	2,416,422	Options granted to debt facility owner	Yet to be issued	$0.0080	103.7%	0.2695%	$0.042

12. DIVIDENDS

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

13. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2022.

14. SIGNIFICANT EVENTS AFTER REPORTING DATE

On 6 February 2023, the Company invested $1.025m for a 5% equity interest in Fresh Supply Co Pty Ltd to continue its growth into the Agricultural Business sector.

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 2022 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 (a) 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: 28 February 2023

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Spenda 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 2022, 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 2022 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.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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.

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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 2022 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*.

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

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
28 February 2023

DBuckley

D I Buckley
Partner