

Half Year Report Presentation

Half-year ended 31 December 2022

Spenda Limited (the Company)
ASX:SPX

March 2023

ASX:SPX

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- General economic conditions and levels of economic activity;
- Global financial conditions;
- Financing risks;
- Degree of competition in the industry;
- Risks associated with the development of projects;
- Changes in employee relations; and control of costs and expenses.

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All references to currency are in AUD unless otherwise specified.

Achievements to date: laying the foundations

Activity	Rationale
Acquisition of Appstablishment Software Group Pty Ltd	Direct ownership of key proprietary software (commonly referred to as the Spenda Product suite) and Intellectual Property. Bolster Payments expertise and capabilities
Acquisition of Invigo Pty Ltd	Bolster Lending expertise and capabilities, including an established loan book and established client base
Acquisition of Greenshoots Technology Pty Ltd	Acquire e-Commerce software platform and related Intellectual Property. Bolster depth in Development team
The acquisitions undertaken and consolidation of the four synergistic businesses into a single enlarged entity, positions the Company to offer a novel blend of services to businesses that incorporate Payments, SaaS and Non-Bank Lending	
Establishment of debt warehouse facility	To provide capital to accelerate its ongoing business growth
Unmarketable Parcel Sale Facility	Rationalise the share registry and saving in administrative time and costs
Signing Payment Facilitator Agreement with First Data Merchant Services Australia Pty Ltd	Reduction in Spenda's acquiring costs which translates into an increase in the Company's NET payment margins, and an improvement to the Customer onboarding experience
Release of Spenda Wallet as a companion app to Spenda's Accounts Payable product	Delivering significant improvements in the Accounts Payable processing time for businesses, improving payment security and unlocking more payment options for businesses
Rollout of Spenda Platform to key strategic customers	Scale revenue through the rollout of the Spenda Platform to customers, including Carpet Court as announced in Dec 2022

H1 FY23 Key numbers at a glance

\$1.5m

Cash Receipts from Customers
Up 49% from H1 FY21



\$1.3m

Revenue from ordinary activities
Up 43% from H1 FY21



\$4.3m

Cash and cash equivalents

\$13.4m

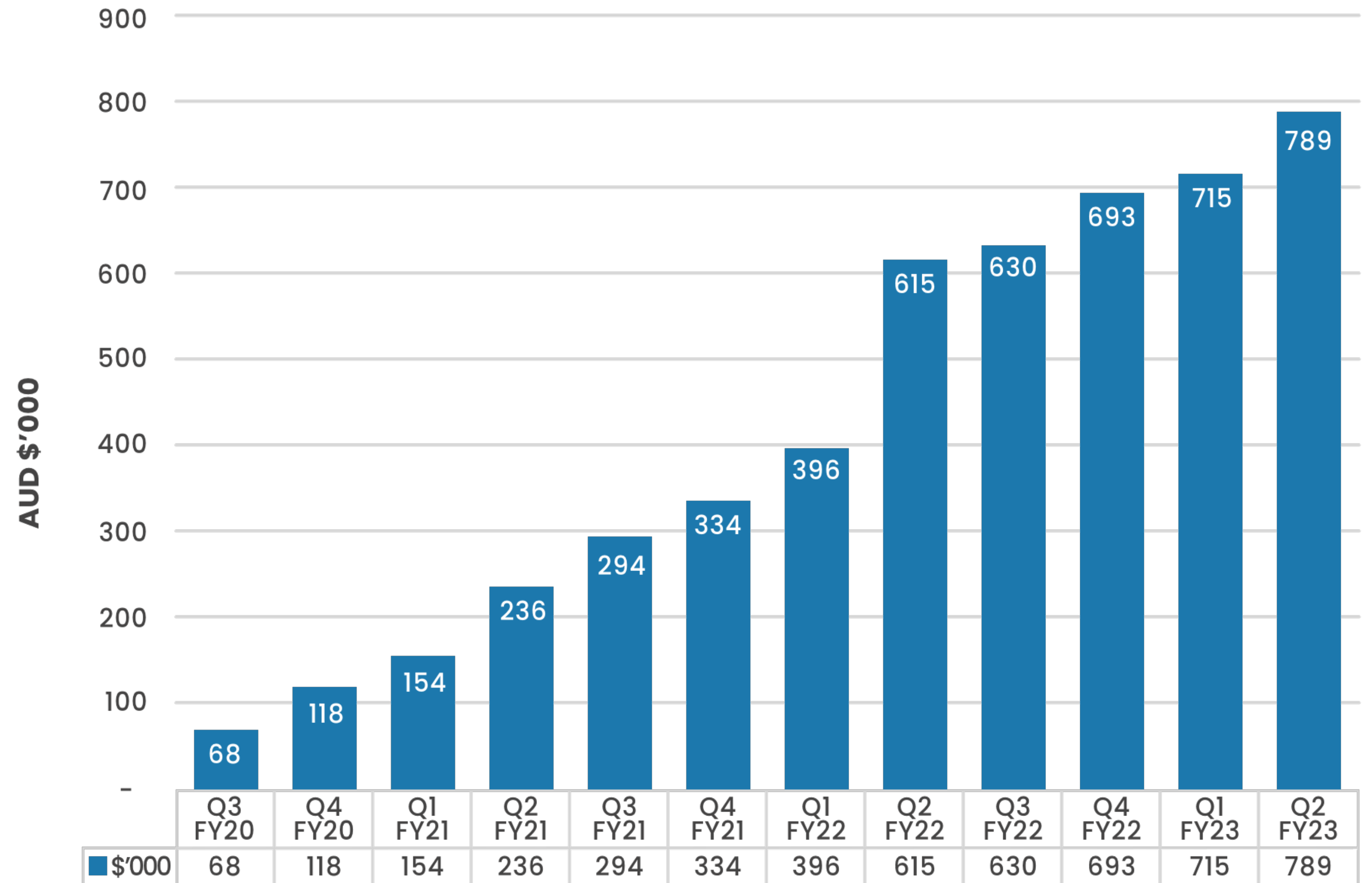
Loan Portfolio (gross)

\$9.0m

Funds drawn from debt facility

\$4.4m

Loan Portfolio (net)



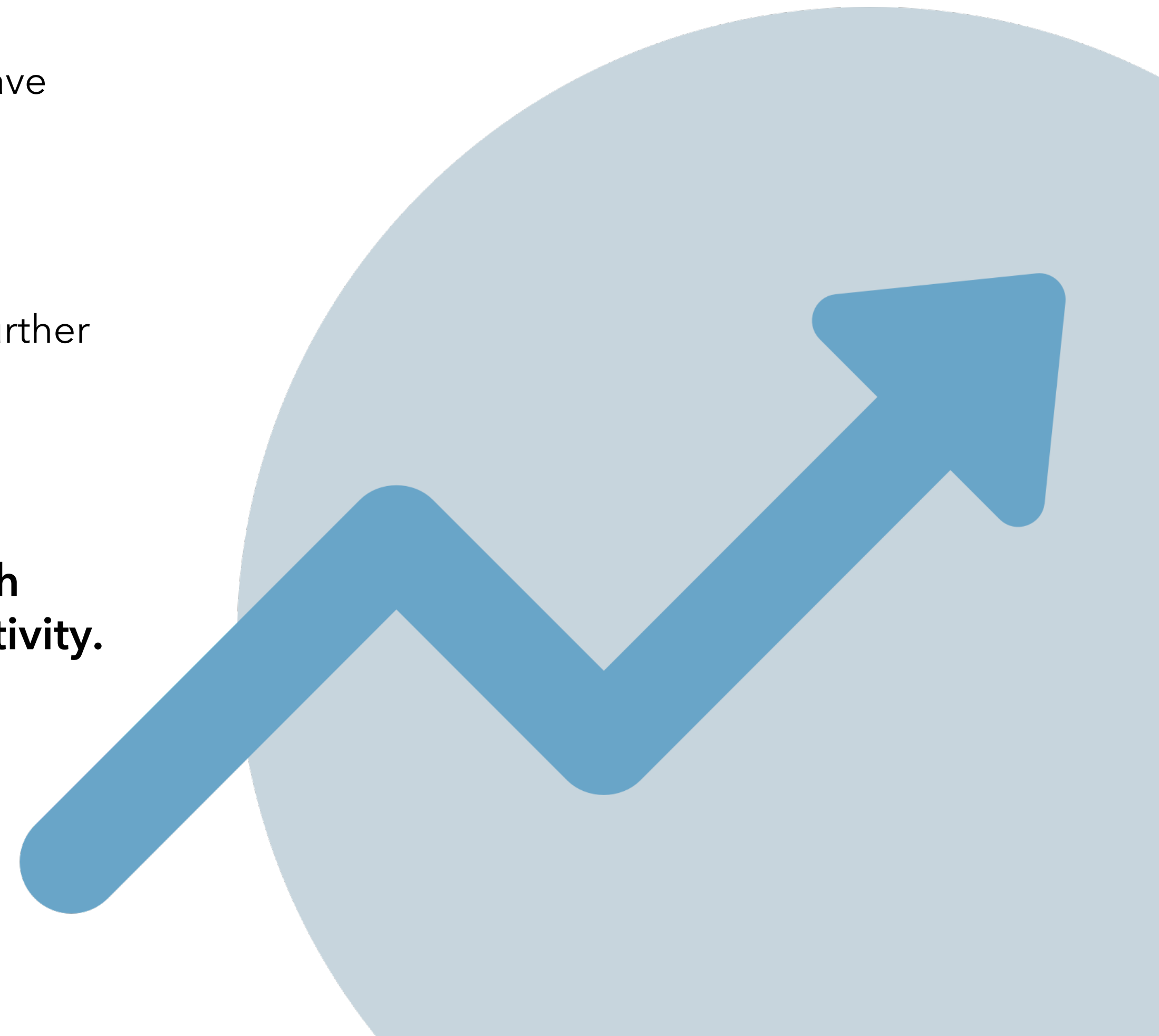
Cash Receipts from Customers by Quarter

Outlook for 2023

The Company's primary focus is to scale revenue through the deployment of its services to new and existing customers with key strategic focus on;

- Continuing to implement the software, payment and lending recipes that we have been delivering to customers in our recent history.
- Creating and expanding our debt and equity capital base.
- Unlocking the potential of export from Agriculture and Mining.
- Continuing to deliver revenue growth in both payment volumes and drawing further funds from the debt warehouse to deploy to customers.

The Company is at a true inflection point and has a very focused growth strategy that is designed to move the Company towards cashflow positivity.








Case Study - Franchise Groups

Case Study: Overview

Spenda's software, payments and lending products positions them as an intermediary and service provider to businesses with significant SME customer bases and transaction volumes, such as Franchise Groups

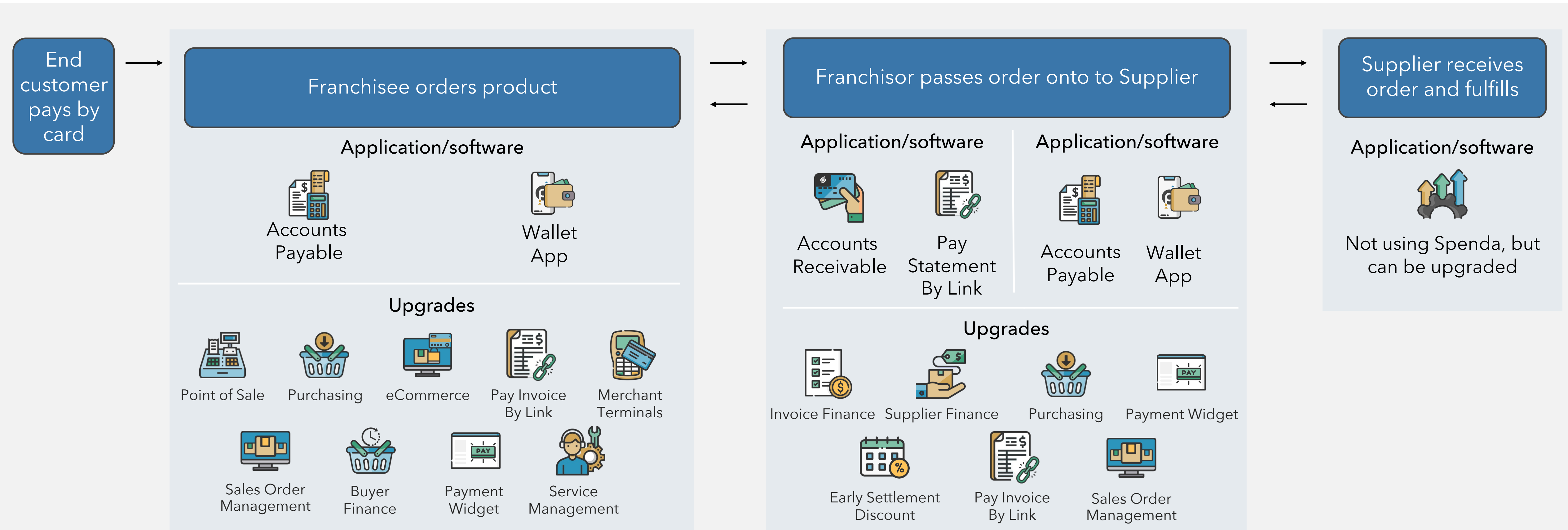
Product	Proposition	Revenue model
 Business Software Bundle - SaaS	<p>Supply of business software bundle that combines the operational systems to run a franchise store, including POS, eCommerce, Service Management, Procurement, Inventory Management and Payments</p> <p>The SOE will be integrated with accounting software (XERO, MYOB, QBO) used by the store</p>	Fixed rate per franchisor / franchisee (c.\$1,000 p.a.)
 Payment Processing	<p>Rolling out Spenda Accounts Receivable to assist in franchisee invoicing, which will also enable stores to pay via credit card or via their linked bank account (Products utilised: Payments, Trade Finance and SaaS, Spenda AR).</p>	<p>Average rate charged on the value of payments processed is 1.25%</p> <p>If \$10m in payments were processed over the Spenda Platform this would equate to \$125,000 in annual payment revenue</p>
 Trade Finance	<p>Each franchise store will have the opportunity to turn on a Spenda trade finance product and borrow up to 100% of the stores monthly procurement spend</p> <p>Store lending will commence following the successful rollout of the Spenda payments solution</p>	<p>Average yield earned on capital deployed is 18.9%</p> <p>If \$10m in capital was deployed to clients within the loan portfolio this would equate to \$1,890,000 in annual lending revenue</p>

Spenda Objectives

- Simplify the administration of procurement, franchisee invoicing and accounts receivable management
- Offer flexible payment terms and lending options
- Promote ledger to ledger reconciliation
- Standardise technology utilised by store network to create savings and competitive advantage for the franchisee

Value Chain Benefits

Spenda are pursuing a 'node and spoke' strategy, focusing on the acquisition of conduit partner (i.e. Franchisor) who sit in the value chain aggregating procurement and demand. Spenda payments services collect fees in most circumstances regardless of the Franchisor / Franchisee's decision to borrow or pay by existing means.





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Authorised by the Adrian Floate, CEO