



ASX:SPX

Q2 FY24 Business Update Investor Webinar

7 February 2024

Spenda Limited (The Company)

Disclaimer

This presentation contains certain statements that may constitute forward looking information under applicable securities laws. All statements, other than those of historical fact, which address activities, events, outcomes, results, developments, performance or achievements that Spenda anticipates or expects may or will occur in the future (in whole or in part) should be considered forward looking information. In some cases, forward looking information is identified by the use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intent”, “may”, “plan”, “predict”, “project”, “will”, “would”, and similar terms and phrases, including references to assumptions. Such information may involve, but is not limited to comments with respect to expectations, planned operations or future actions.

These forward-looking statements are based on currently available information as of the date of this presentation but are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those expressed or implied by such forward looking information. The forward-looking information contained in this presentation is expressly qualified by this cautionary statement.

A number of risks, uncertainties and other factors could cause actual results to differ materially from the results discussed in the forward-looking information, including but not limited to, the following:

- Risks associated with reliance on key personnel;
- Financial health of Spenda and its related cash flows; general industry and market conditions and growth rates; legislative and regulatory developments;
- 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.

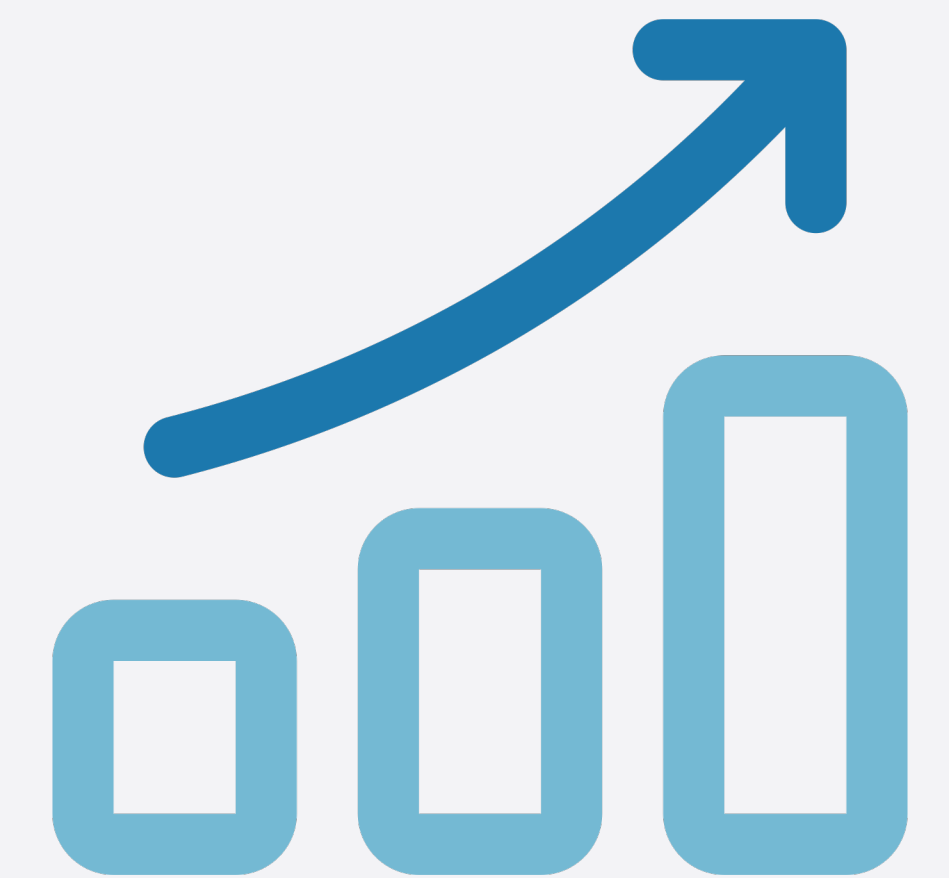
The material in this presentation is general information about Spenda’s activities current as at the date of the presentation. The presentation comprises information regarding Spenda that is given in summary form and does not purport to be complete. Nothing in this presentation should be construed as a recommendation by Spenda to purchase securities, or an offer for subscription or purchase of securities. Information in this presentation should not be considered advice and does not take into account the investment objectives, financial situation or needs of a particular investor. These matters should be considered with or without professional advice when deciding if an investment is appropriate.

Forward looking information reflects Spenda’s current beliefs and is based on information currently available to Spenda and on assumptions it believes to be reasonable. The forward-looking information is made as of the date of this presentation. Prospective investors should not read forward looking information as guarantees of future performance or results and should not place undue reliance on forward looking information. Nothing in this presentation is, or should be relied upon as, a promise or representation as to the future.

All references to currency are in AUD unless otherwise specified.

Key Highlights in Q2 FY24

- ✓ Record Q2 cash receipts from customers of \$1.38m
- ✓ New partnerships generating revenue momentum
- ✓ Q3 FY24 revenue is expected to exceed Q2 FY24
- ✓ AirPlus partnership adds a new card blended finance capability for eligible clients
- ✓ Cornerstone investment by Capricorn raises \$7.175m
- ✓ Sufficiently funded to achieve commercial ambitions



Q2 FY24 financial results snapshot

Cash Receipts

\$1.38m

+84%



Q1 FY24: \$749K

Total Payment Flow

\$64m

+3.6%



Q1 FY24: \$61.8m

Total Loan Book

\$12.9m

+4.9%

Q1 FY24: \$12.3m

Average Portfolio Yield

21.2%

STEADY QUARTER ON QUARTER

Market Cap

(as at 2 Feb 2024)

\$73.5m

Cash on Hand

(as at 31 December)

\$6m

*Excludes Capricorn investment

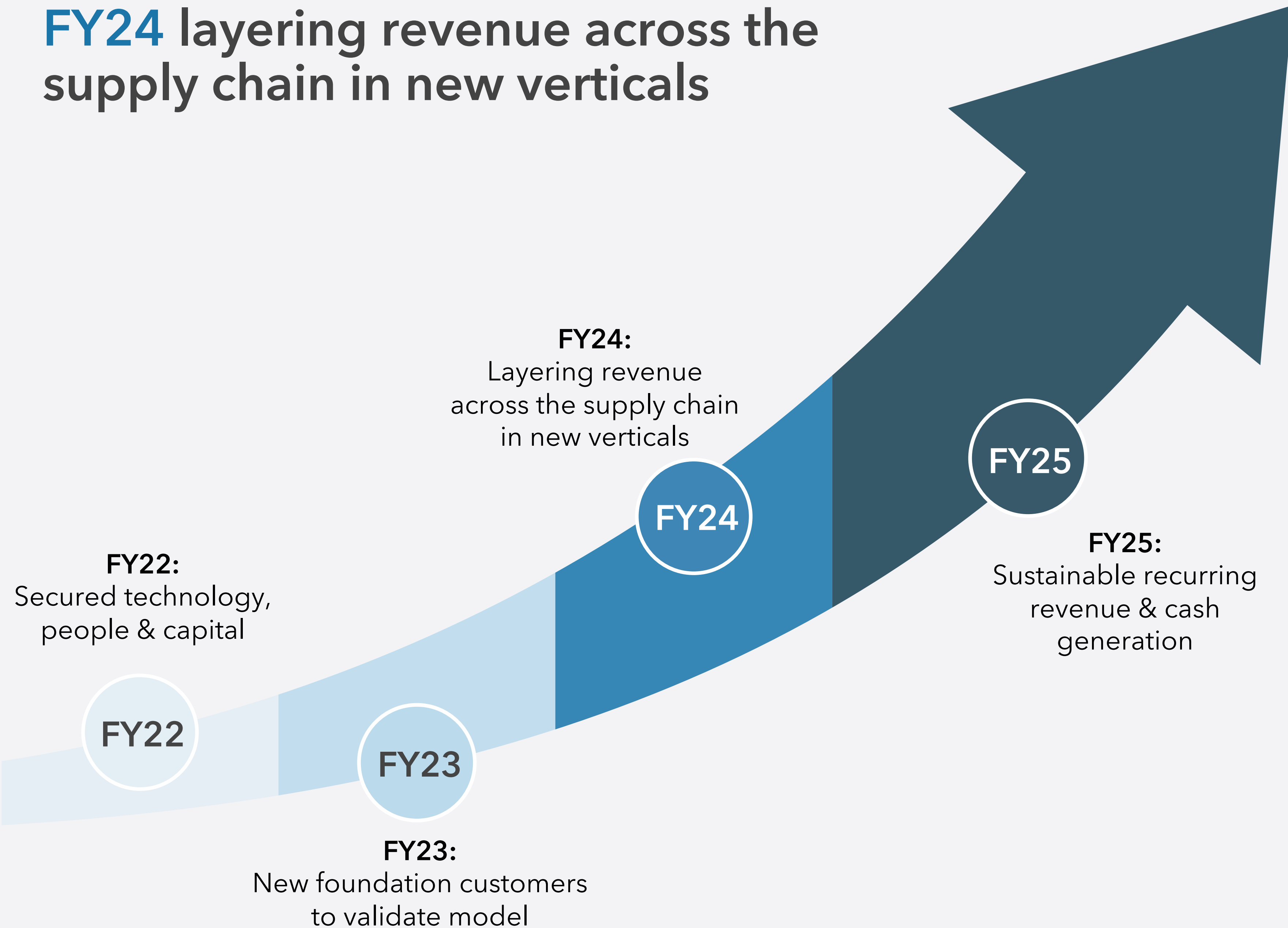


UNIQUE CUSTOMER VALUE PROPOSITION

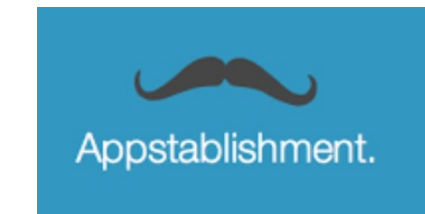
Spenda is an **integrated business platform** that enables businesses across the supply chain to **sell better** and **get paid faster**.

Spenda is both a **software solutions provider** and a **payment processor**, delivering the essential infrastructure to **streamline processes** before, during and after the payment event.

FY24 layering revenue across the supply chain in new verticals



Previous Acquisitions



Customers & Partnerships



Benefits of Spenda's unique business model

01

Combines five vendors into one solution, leading to diversified revenue streams and de-risked overall implementation for a network of trading parties

02

End-to-end software integration through the supply chain enables long term customer contracts with low customer churn and high barriers to entry

03

Ledger-to-ledger integration reduces administration costs and improves operational efficiency for all trading clients

04

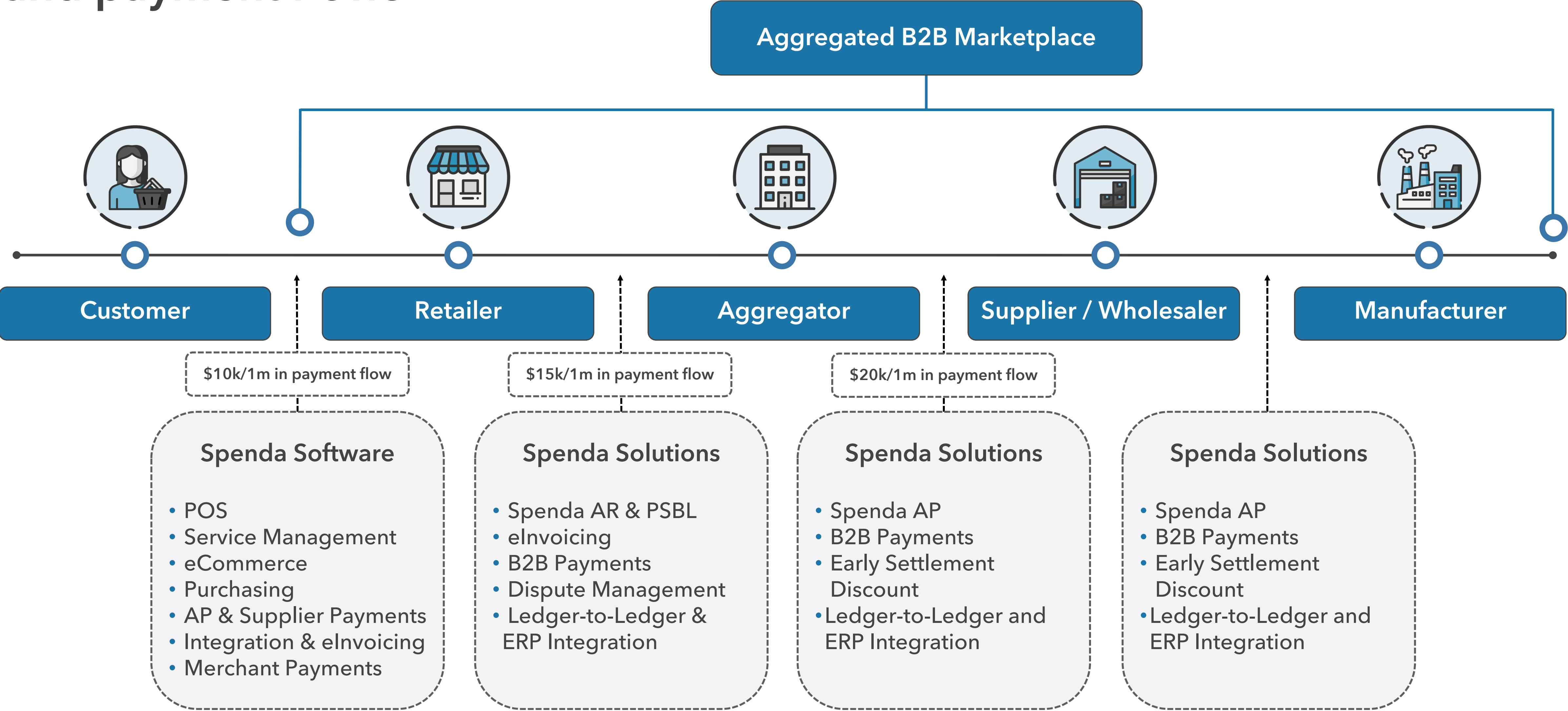
Scalable solution with layered revenue streams over time, including from SaaS, both B2B and B2C payments and B2B supply chain finance

05

Captures transactions and payments through the value chain, including new virtual card product, with the ability to retain the large payment flow of end-consumers at a low cost of acquisition



Solution segments and payment flows



POS - Point of Sale; AR - Accounts Receivable; PSBL - Pay Statement By Link; ERP - Enterprise Resource Planning; AP - Accounts Payable; B2B - Business to Business

Five-year exclusive agreement with Carpet Court

- Carpet Court is the largest floor covering specialist in Australia, with a growing network of 205 franchised stores
- Carpet Court has a presence in every State and Territory with annual retail sales of ~\$500m.

Scaling up payment flow

- Roll out of Spenda's payments infrastructure between Head Office and the network of 205 franchise stores (buyers)
- All of the payment flow from the 205 stores to Carpet Court's National Support Centre are processed through the Spenda platform
- Payments between the store network and Carpet Court's Head Office are currently \$240m per annum (~\$20m per month)
- Five-year exclusive agreement for Spenda to provide working capital finance (extended credit) to Carpet Court's stores
- Spenda will receive multiple revenue streams including SaaS fees, transaction-related payment processing fees, and funding fees on extended credit for stores
- Both B2B and B2C payment volumes and revenues are expected to scale further

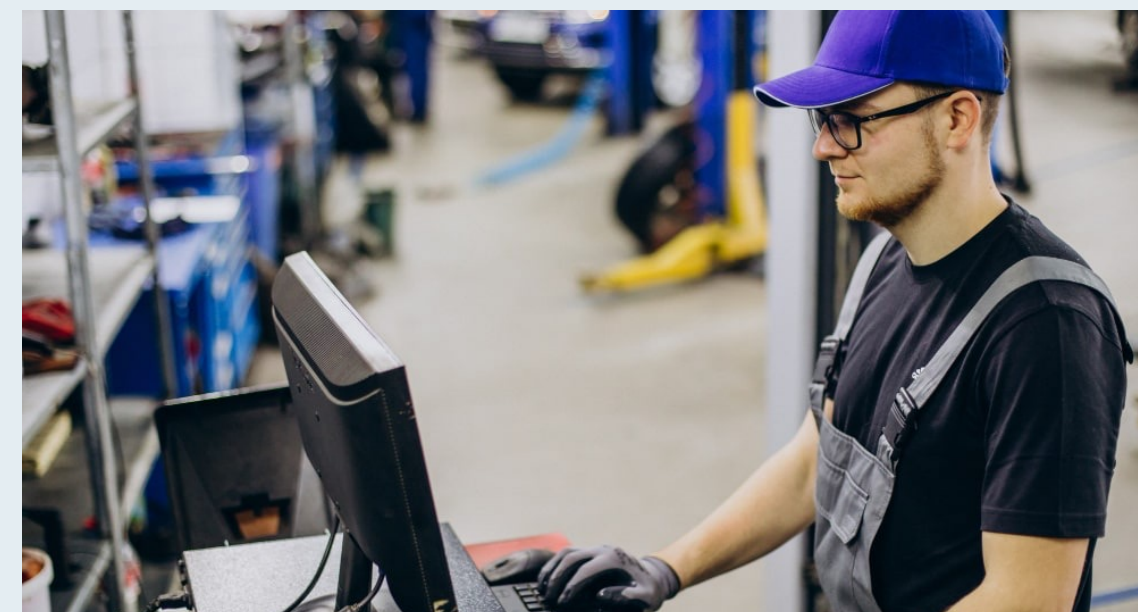


Ten-year service agreement with **Capricorn**

- Capricorn is a member-based organisation established in 1974 to primarily support businesses in the automotive industry
- The network consists of over 26,000 Members and more than 2,000 preferred Suppliers in every State and Territory in Australia and New Zealand
- Capricorn's Members purchase ~\$270m per month in parts from the approved Supplier network

Commercial launch expected in early 2024

- In May 2023, Spenda was selected as Capricorn's preferred supplier to deliver the first phase of its Digital Service Delivery (DSD) initiative. Proof of Concept completed in Dec 2023
- The DSD initiative is a significant and strategic project that upgrades the payments infrastructure to Capricorn's Member & Preferred Supplier network
- In December 2024, Spenda signed a 10-year Master Service & License Agreement (MSLA) with Capricorn
- The onboarding of customers is expected from mid 2024 and Spenda expects to generate a minimum of \$2m in revenue from software and services in 2024
- Cornerstone investment terms agreed, for up to 593m shares (13.75%) via a private placement at \$0.0121 per share, to raise \$7.175m

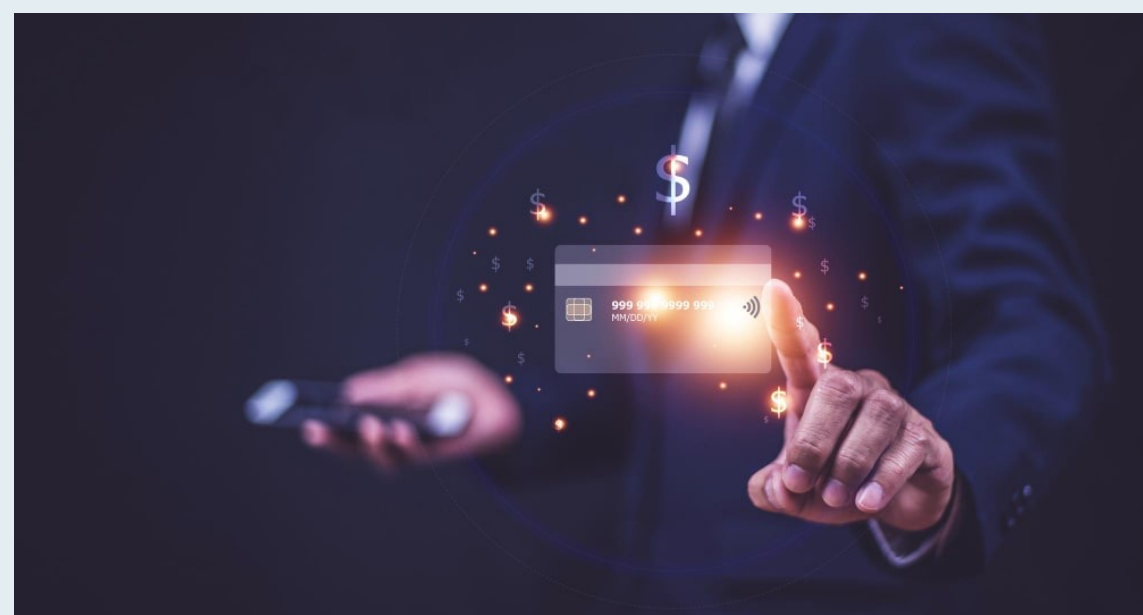


Spenda adds virtual cards to payments solution, in agreement with corporate payment expert, **AirPlus International**

- AirPlus International is a leading international provider of solutions in the corporate payment segment
- Around 53,000 corporate customers rely on AirPlus when it comes to paying for and analysing their business travel and other purchasing activities
- AirPlus is an issuer under the UATP and Mastercard card schemes

Enables scalability in payments

- In November 2023, Spenda signed a payment processing agreement with AirPlus to jointly offer a virtual card product, which enables the generation of credit card numbers for specific purposes or durations
- The virtual Mastercard credit card product, backed by AirPlus, enables Spenda's clients to access funds for purchases via the Spenda AP and Payment widget software, thus increasing the flow of funds through Spenda's platform
- Enables scaling of client payment volumes by providing access to working capital from portable and flexible credit solutions
- Both parties are working together to develop a pipeline of opportunities to grow the virtual card product, both domestically and internationally





Partner with **eBev** for payments in hospitality

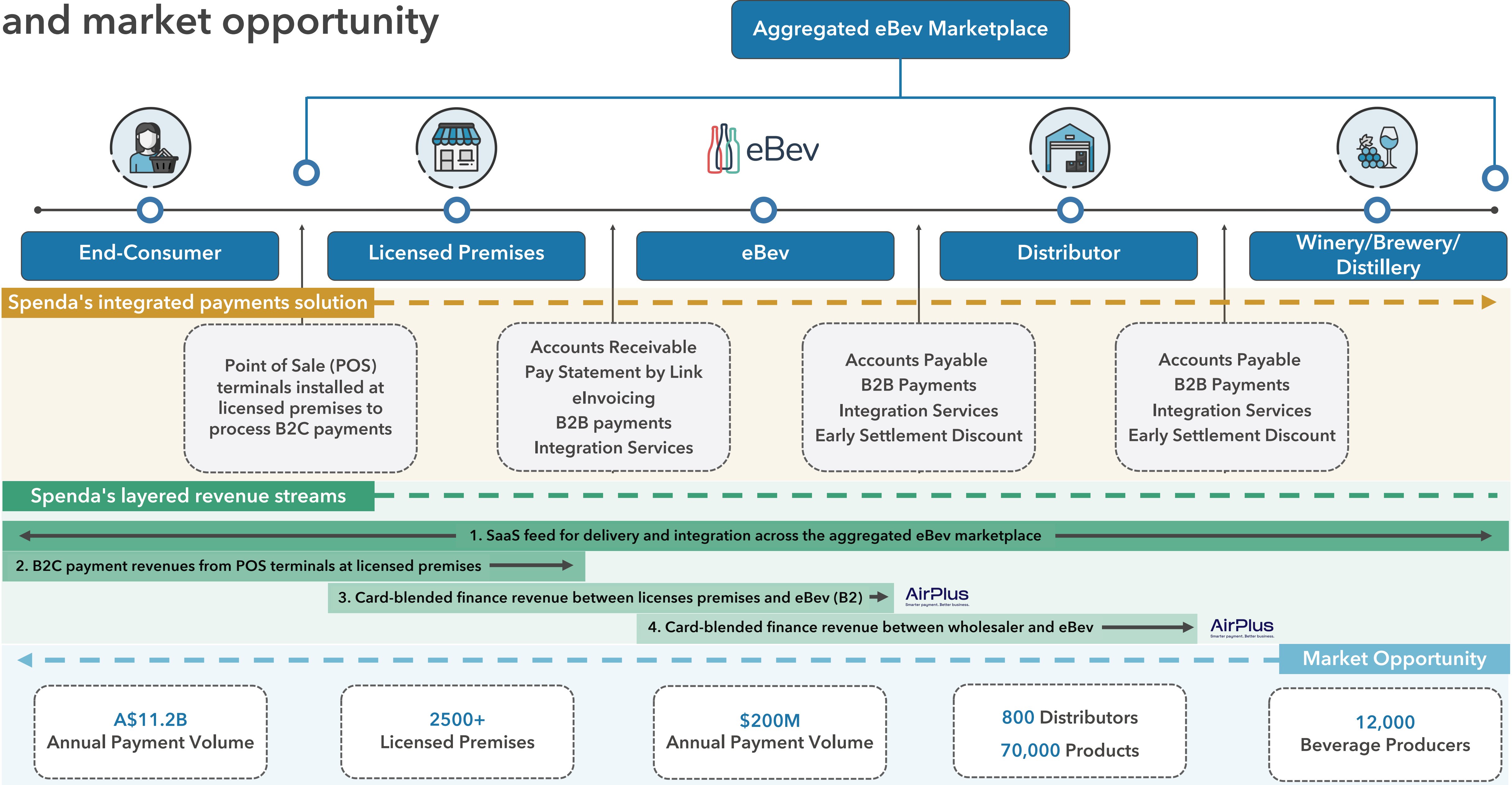
- eBev is a software provider with a platform that enables licensed premises to order alcoholic beverages from eBev's approved catalogue
- eBev has over 2,500 licensed premises (buyers) purchasing through its platform
- Over \$13.6 billion in B2C and B2B payments through the end-to-end ecosystem annually.

Scale up in 2H FY24 and FY25


- Spenda and eBev will offer unique integrated payments solutions across the eBev marketplace
- This agreement outlines the first phase of the commercial rollout to 100 initial clients over three months
- Spenda will generate revenue from SaaS fees, B2C payment fees from retailer POS terminals, as well as B2B card-blended finance revenue, enabled by AirPlus
- Upon completion of the full commercial rollout, Spenda expects to generate a blended net revenue margin of 2-4% across the eBev marketplace on transactions that utilise Spenda's payments solutions



eBev: Products, revenue flows and market opportunity



Delivering consistent increases in recurring revenue



Current base income

Monthly
\$284k

Annual
\$3,404k



Recurring revenue through Carpet Court

Current contracts

Head Office Software
\$300k
plus Payments on
~\$20m/month

Plus B2C Payments, SOE Software
and extended credit




Recurring revenue through Capricorn

Current contracts

DSD Software
\$1.2m plus SaaS variable
fee

Plus \$1.8m in build cost
(inc POC)



Current pipeline opportunities

New Business

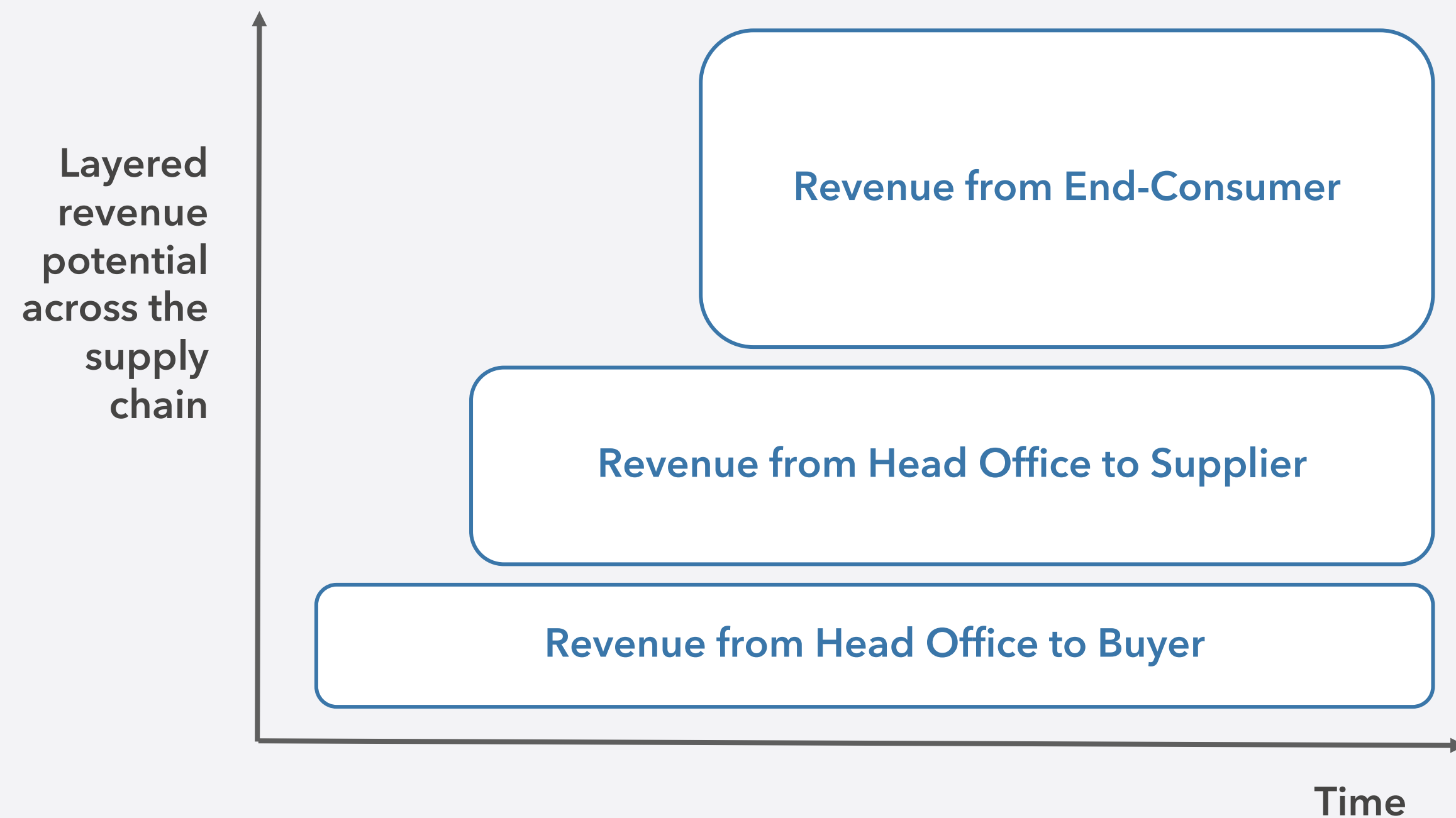
Recurring Revenue p/m

Current RR \$284k	+	Min RR \$50k	+	Min RR \$100k	=	Min RR \$434k + Payments + New Business
-------------------	---	--------------	---	---------------	---	-----------------------------------------

Layering revenue streams

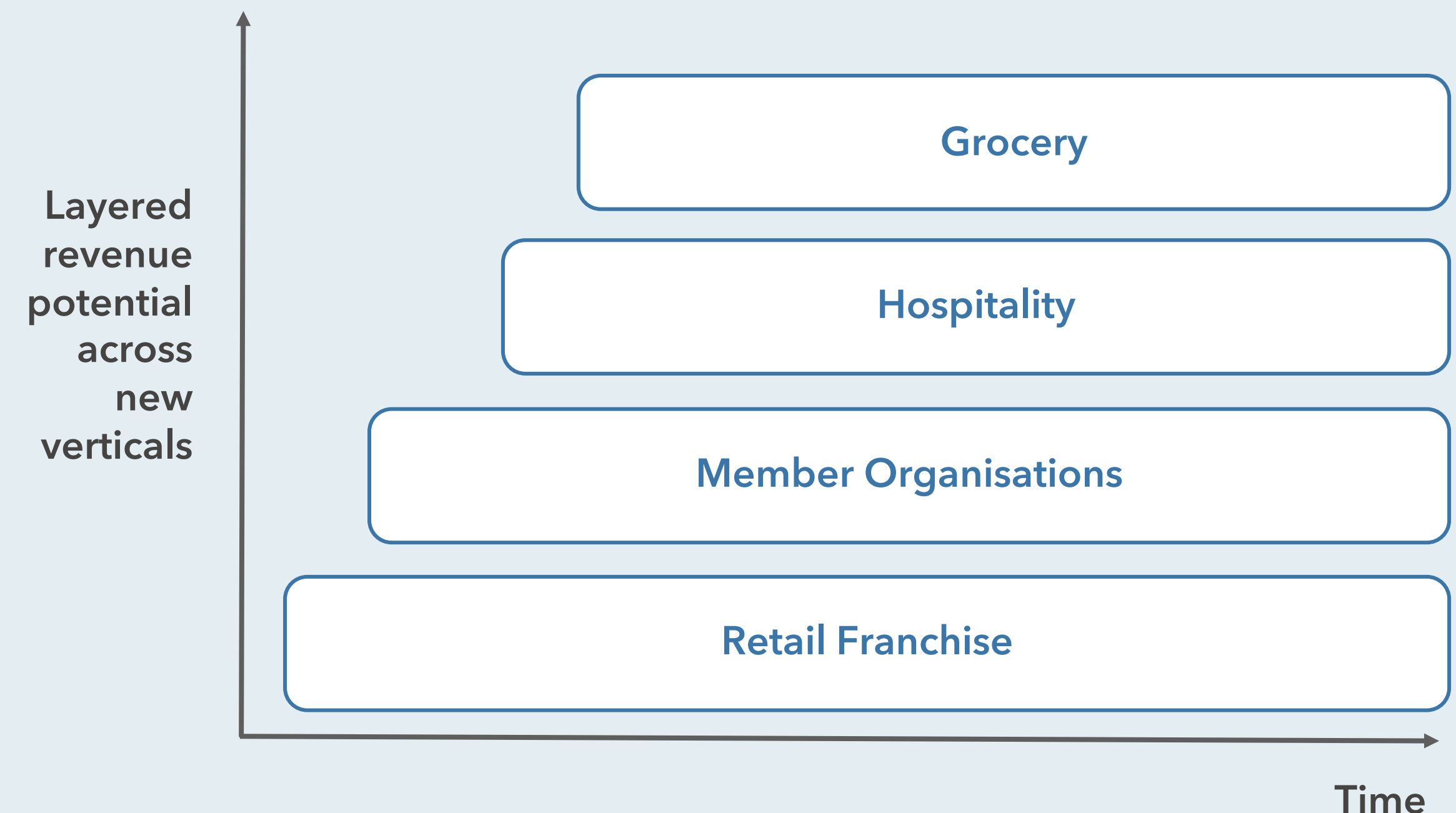
Further penetration across the supply chain for each client

- Start with Head Office and payment flows to and from the buyer network
- Expand payment solutions to supplier network for early payment discounts
- Install POS terminals at retail transaction (either in-store or online) to capture payment flow from end-consumers
- The payment flow from end-consumers would generally be the largest component in a supply chain and grow over time



Scalable growth across different industry verticals

- Initial commercial partnerships in retail franchise network (Carpet Court), an automotive member organisation (Capricorn) and a hospitality supply chain (eBev)
- Opportunities to expand into grocery



Building foundation for **international expansion**

Spenda is establishing **international payment rails**, which provide the network infrastructure that allows all digital money transfers to be made between payers and payees, regardless of country, currency or digital payment method.

- **PayFac:** Spenda has a Payment Facilitator (PayFac) Agreement with Fiserv, which enhances the B2B and B2C payment rails and enables credit approval for both payments and lending in the same process.
- **AirPlus:** The agreement with AirPlus and the addition of virtual cards, enables cross-border opportunities and the delivery of international services which will enable Spenda to scale into larger facilities.
- **International expansion:** Subject to licensing, these services are transportable internationally enabling Spenda to offer its entire payments solution portfolio in any market.

Initial focus for international expansion on Asia, and then US and Europe

Upcoming operational milestones in 2H FY24

Further penetration through Carpet Court supply chain

- Deliver POS terminals to franchise stores
- Increase B2C payment flow through network

Commercial launch with Capricorn

- Continued work on DSD project
- Identification of new projects

Global payments and entry into Asia-Pacific region

- Addition of international settlement rails and cross-border payments
- Launch of B2C and B2B payment services in Singapore

Expansion of AirPlus

- Initial roll out of AirPlus facilities across customer base

Roll out with eBev

- Integrating payments solutions into eBev platform
- Capture B2B payment flow
- Initial roll out of B2C payments

On the path to profitability

- Maintain operating costs in FY24
- Revenue and earnings weighted to 2H FY24

Thank you.

Approved by the Board of Directors



spenda.co
Spenda Limited
605, 275 Alfred Street, North Sydney, NSW 2060
1300 682 521
investors@spenda.co