



ASX Release

31 January 2025

Activities Report for the Quarter ended 31 December 2024

Key Highlights

- **Cash receipts from customers grew 86% to \$3.57m:** Another record quarter, up 160% compared to the prior comparable period (pcp) and an increase of 86% quarter-on-quarter (qoq).
- **Payment Volumes of \$138m up 116% on pcp:** Total Payment Volumes (PV) of \$138m in Q2 FY25, up from \$64m in Q2 FY24.
- **Cash and cash equivalent:** \$7.2m as at 31 December 2024 (up from \$6.5m as at 30 September 2024).
- **Monthly cash burn continued to decline:** Average monthly cash burn for the Dec 2024 half of \$316k, down ~35% from the Dec 2023 half.

Spenda Limited (**ASX:SPX**, "**Spenda**" or "**the Company**"), an innovative software company with an integrated set of capabilities that enable trading networks to buy, sell, and pay more efficiently, is pleased to release its Quarterly Activities and Cash Flow report for the quarter ended 31 December 2024 ("**Q2 FY25**").

The Company achieved another record \$3.57m in cash receipts from customers during Q2 FY25. The result is an increase of 160% on Q2 FY24 and an increase of 86% on Q1 FY25. More importantly, cash receipts of \$5.49m for the half year ended December 31, 2024, have surpassed total cash receipts collected in FY2024 (\$5.4m). The Company expects to continue to build on its strong start to FY2025.

Costs and margins are becoming increasingly predictable, average operating cost for the 6 months to December 2024, were ~1.03m per month.

The primary drivers of the Company's earnings growth are the continued roll out in contracted programs with Capricorn DSD and Swift Statement, Carpet Court SOE, and several other channels delivering multiple recurring income streams.



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A summary of the company's cashflow performance comparing H1 FY2024 v H1 FY2025 is as follows:

	H1 FY2025	H1 FY2024	% Change
Cash Receipts	~\$5.49m	\$2.12m	+160%
Cost of Sales	~\$1.2m*	\$188k*	+538%
Operating Costs	\$6.2m	\$4.9m	+27%
Monthly Cash Burn (avg)	\$316k**	\$483k	-35%

*In H1FY25, the material change to the revenue relates to recurring pay flow income; the cost of goods sold (COGS) from these revenues is higher than costs associated with software revenue.

**The monthly cash burn fell as both revenue and margin increased, despite the acquisition of Limepay, which increased expenses as we welcomed their team to Spenda.

Delivery on current projects is expected to close the current cashflow operating gap. Continued growth in maintainable earnings is a function of the Company generating multiple income streams that are derived by increasing average revenue per user (ARPU) from each customer as the Company looks to consolidate growth from its existing total addressable customer market.

Quarter in Review

During the month of November, the Company commenced the *SwiftStatement* Member program with Capricorn to modernise the delivery and utilisation of Capricorn's Statement data. The success of the initial pilot confirmed the market fit for *SwiftStatement* to the majority of Capricorn's 30,000 strong member base. First commercial *SwiftStatement* revenues were generated in November.

The Company continues to refine and improve the supply side features of its *SwiftStatement* product that will assist in faster delivery, self-service onboarding, and broader suitability for other channels. These supply side features will assist the Company to achieve our programme delivery objectives in 2025.

Customer facing marketing

Throughout the quarter, the Company focused on channel marketing efforts to bolster member engagement initiatives for Carpet Court and Capricorn, and to deliver brand alignment following the Limepay acquisition.

Key highlights included:

Capricorn

The Company participated in Capricorn's Gala and Roadshow event series during October and November, showcasing *SwiftStatement* to Members through a presentation at events around Australia. The Capricorn events are all aimed at driving Member engagement in the *SwiftStatement* program.



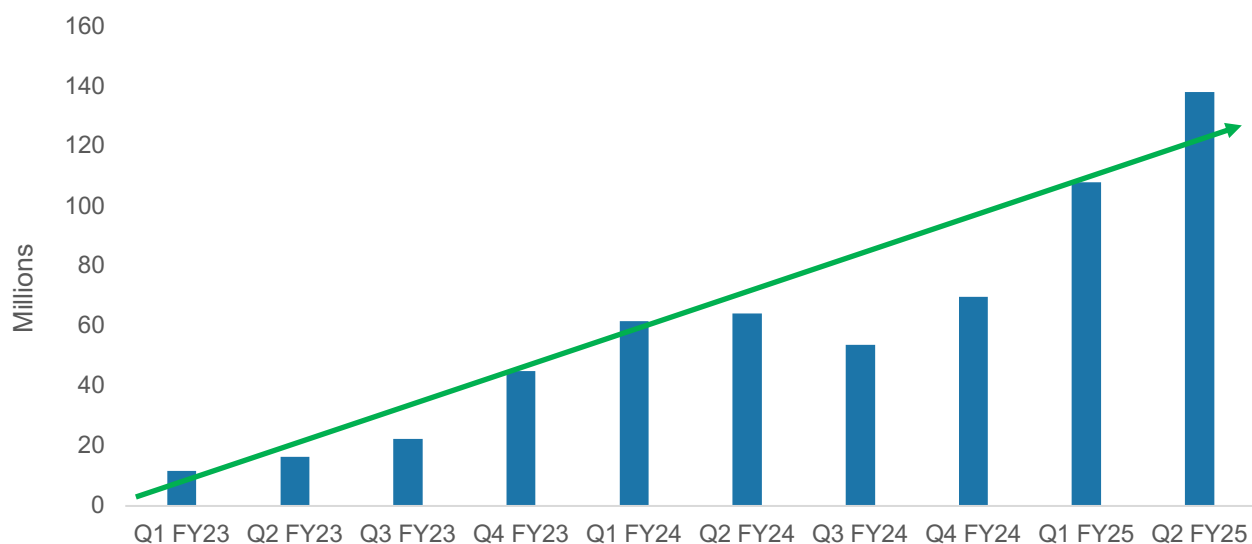


Building a strong foundation for long-term sustainable revenue

All programs of work are tracking to plan, with the key highlights being:

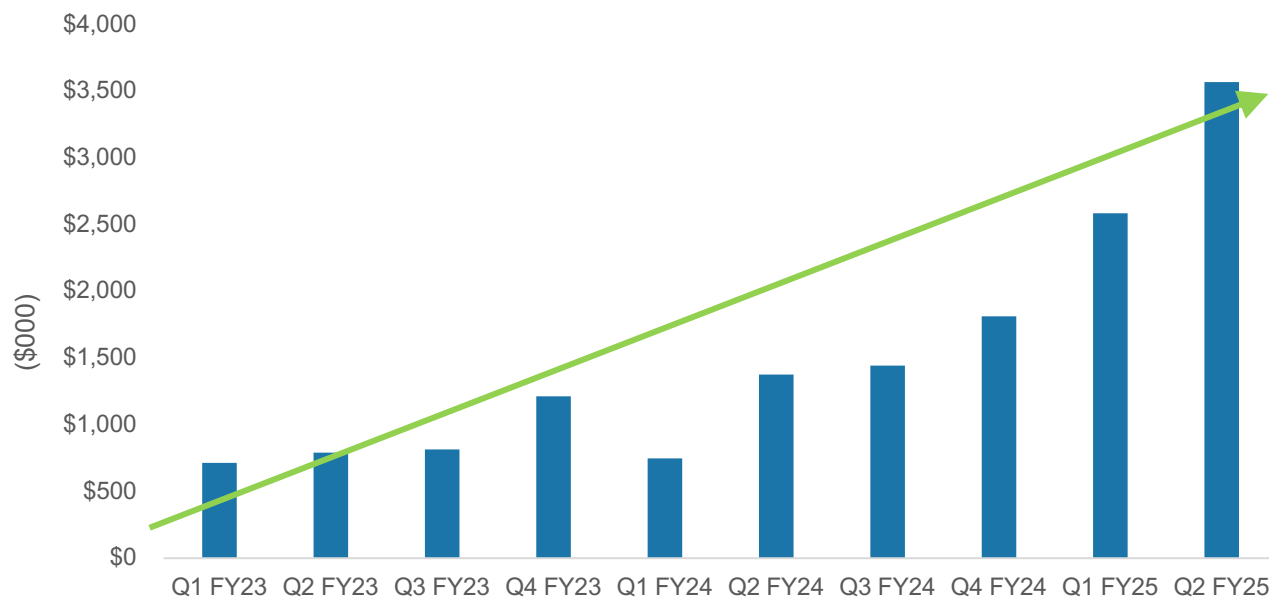
- Stable payment B2B volume of approximately \$20m per month on Spenda's platform from roll out of SpendaAR to Carpet Court Head Office;
- Finalisation of Carpet Court SOE;
- Continuing strong growth in AirPlus facilities, with revenue growing to more than \$860k to the end of 2024, with continued growth expected to exceed traditional lending facilities in the current financial year; and
- Continued scaling of our finance and payments products, including SpendaAR, SpendaAP and Payment Widget with corresponding SaaS Software Licensing fees.

Total PV in Q2 FY25 of \$138m, up 116% on pcp (Q2 FY24 - \$64m).



Financial position

Cash receipts from customers for the quarter were \$3.57m, up 160% on pcp (Q2 FY24).



The Company had a cash and cash equivalents position of \$7.2m as of 31 December 2024 plus \$12.3m in gross client loan book, representing loan capital deployed to multiple customers.

	Dec 2024	Sep 2024	Mvmt	Mvmt
Net cash position	\$'m	\$'m	(+ / -) \$	(+ / -) %
Cash and cash equivalents (A)	7.2	6.5	0.7	10%
Gross client loan book	11.2	12.3	(1.1)	-9%
Less: Finance facility	(14.0)	(14.0)	-	-
Net client loan book (B)	(2.8)	(1.7)	(1.1)	-65%
Net cash position (A + B)	4.4	4.8	(0.5)	9%

Table 1: Net cash position

The operating expenditure for the December 2024 quarter is summarised as follows:

Category	Q2 FY25 (\$'000)	Q1 FY25 (\$'000)	Mvmt (+ / -) %
Product manufacturing and operating costs	882	293	+201%
Advertising and marketing	21	60	-65
Staff costs	2,094	1,490	+41%
Administration and corporate costs	1,037	747	+39%

Table 2: Summary of operating expenditure

Costs for the quarter were higher due to transaction costs associated with the acquisition of Limepay, including assumption of Limepay operational costs accrued prior to completion occurring.

Corporate

During the quarter Non-Executive Director Mr Howard Digby retired from the Board of the Company.

The Company's CFO Richard Jarvis tendered his resignation for personal reasons.

Related party transactions

The Company made payments totalling \$175k to the Company's Directors, which included director's salaries, fees and superannuation.

On 23 December 2024, the Company issued 4,419,600 shares to Chairman, Peter Richards, and 7,200,000 shares to Managing Director, Adrian Floate, as approved by shareholders on 21 November 2024.

On 3 October 2024, the Company issued 52,265,625 Options to Managing Director, Adrian Floate, and 10,000,000 Options to Non-Executive Director, Andrew Kearnan, as approved by shareholders on 17 September 2024.

Research and Development Rebate (R&D)

The Company received a total of \$1.6m from its R&D claim in October 2024.

Key operational activities in the March quarter (Q3 FY25)

In the quarter ahead, the Company will continue to focus on:



- The commercialisation of existing contracts, including the broader roll out of SOE to Carpet Court and into new channels.
- Rationalisation of the lending portfolio by restructuring the Company's balance sheet and continued expansion of the AirPlus product (delivered through Spenda's Accounts Payable software) to improve overall margins and the scalability of payment flow.
- Continued expansion of our collaboration with Capricorn, focusing on the broader utilisation of the Spenda ecosystem driven off the back of the successful commercialization of *SwiftStatement* and DSD.
- Improvement of overall margins across the business through the decommissioning of legacy clients and low margin programs of work.
- Continuous improvement of our implementation capacity with the delivery of self-serve onboarding for core Spenda products.
- Application for a financial services license and a focus on achieving ISO 27001 accreditation to enable us to broaden the scope of core services.

GM of Corporate Development, Francis de Souza said:

"In the past quarter, the Company has focused on initiatives aimed at closing the revenue / operating cost gap as the Company marches towards breakeven and then EBITDA positivity. We are pleased to demonstrate that our initiatives over the last 18 month have put breakeven firmly within reach. Successful execution of the existing programs of work will further reinforce the upward trajectory of the Company, allowing us to broaden our customer network focus into other verticals. We look forward to continuing to report on our progress in a manner that better captures the Company's key success milestones."

Managing Director, Adrian Floate said:

"The December quarter was satisfying for the team as we saw our strategy start to deliver meaningful revenue across the product portfolio. Most pleasingly, our channel strategy has started to deliver ROI for our customers whilst delivering increased wallet share to the Company as we displaced manual processes and disparate systems.

Short term delivery on current projects will further assist in closing the EBITDA gap and transform us from cash-burner to cash-earner. Maintainable earnings are a function of continuing successful execution of our strategy. As the Company is able to generate multiple incomes streams and increase ARPU from each Customer channel, we look to 2025 as a year of consolidation and growth from the business we have built.

I recognise this strategy has taken longer than expected to execute, but we are very pleased to see successful delivery of the vision into multiple channels that are translating into meaningful revenue growth. We are excited by what the future holds for us as a business and for you all as shareholders."

- ENDS -



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About Spenda

Spenda Limited (ASX:SPX) 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.

Spenda's payments solution has three components – Software, Payments & Lending – and enables end-to-end e-invoicing integration, rapid ordering, digital trust and automated reconciliation. Spenda creates an industry standard operating environment (SOE) that enables the effective and seamless transfer of data from multiple, disparate software systems in one standardised technology solution. Spenda combines five vendors into one solution with end-to-end software integration as well as ledger-to-ledger integration to improve operational efficiency for all trading parties in the supply chain.

Spenda captures transactions and payments through the value chain, generating layered revenue streams from SaaS, both B2B and B2C payments and B2B supply chain finance. Spenda's ability to analyse and understand payment flows throughout these networks enables the Company to offer customised financing solutions to clients, in order to improve their working capital efficiency and cash utilisation throughout their operations.

For more information, see <https://spenda.co/investor-centre/>

This announcement has been authorised by the Board of Directors

Investor Enquiries

Please email: investors@spenda.co



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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Spenda Limited

ABN

67 099 084 143

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,573	5,496
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(882)	(1,175)
(c) advertising and marketing	(21)	(81)
(d) leased assets	-	-
(e) staff costs	(2,094)	(3,584)
(f) administration and corporate costs	(1,037)	(1,784)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	15	49
1.5 Interest and other costs of finance paid	(457)	(869)
1.6 Income taxes paid	(10)	(18)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(351)	(351)
1.9 Net cash used in operating activities	(1,264)	(2,317)

Note to support item 1.8

Monies relate to restricted cash merchant funds received/(paid) for the quarter.

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(17)	(23)
	(d) investments	-	(318)
	(e) intellectual property	934	203
	(f) other non-current assets	22	(2)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Net Cash flows from loans to other entities	983	(289)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide detail if material)	-	211
2.6	Net cash from investing activities	1,922	(218)

Note to support item 2.1 (e)

The company received \$1,599,560 in relation to its FY24 R&D refund, offset by costs that have been incurred for intellectual property development for the quarter.

Note to support item 2.5

The Company acquired \$211k in cash upon the acquisition of Limepay Pty Ltd on the 20 September 2024.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	(128)
3.8	Dividends paid	-	-
3.9	Other (Listed Option entitlement issue)	-	-
3.10	Net cash from financing activities	-	(128)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,517	9,837
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,264)	(2,317)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,922	(218)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(128)
4.5	Effect of movement in exchange rates on cash held	(1)	-
4.6	Cash and cash equivalents at end of period	7,174	7,174

5.	Reconciliation of cash and cash equivalent	Current quarter	Previous quarter
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	7,174	6,517
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,174	6,517

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	175
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Item 6.1 relates to payments to directors, including director's remuneration and director's superannuation.</p>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	17,000	14,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	17,000	14,000
7.5	Unused financing facilities available at quarter end		3,000
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>As announced on 1 August 2022, the Company entered into a debt facility agreement with a prominent Australian private credit fund and non-bank funder. Key terms are detailed below:</p> <ul style="list-style-type: none"> • Up to \$50m • Term of 36 months from date of draw down • Interest rate is fixed 		

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,264)
8.2	Cash and cash equivalents at quarter end (item 4.6)	7,174
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	7,174
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	6
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2025

Authorised by: Justyn Stedwell, Company Secretary
on behalf of the Board of Directors

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.