ASX Release

1 August 2022

Spenda secures $50m debt warehouse facility to accelerate growth

Key Highlights

- The Company has entered into a $50m debt facility agreement with a prominent Australian private credit fund to provide capital to accelerate its ongoing business growth

- The facility will refinance the existing portfolio funding and provide runway for growth into 2023

- The funding terms are more favorable than existing facilities and will enable the Company to increase net margin as well as write larger deals that fall within the Company's credit policy guidelines

- The facility will enable both Buyer and Supplier finance streams in line with the Company's growth strategy

- Spenda's current lending product portfolio yields an average of 19% per annum.

Spenda Limited (**ASX: SPX**, "**Spenda" or "the Company"**) is pleased to provide the market with an update in respect to the establishment of a securitisation style Debt Warehouse ("**DW**") structure to fund its lending and payments products.

The Company has been working with its debt advisor, Neu Capital Australia Pty Ltd ("**Neu Capital**"), to (a) complete the structural work required to attract institutional debt capital and (b) source, negotiate and implement specific funding terms with suitable institutions.

The Company has entered into a debt facility agreement for up to $50m with a prominent Australian private credit fund ("**Financier**"), whose lending proposal and strategy was most aligned with Company's future direction.

The Financier is an Australian credit fund and non-bank funder, focussing on short and medium-term private debt investment to corporate borrowers.

Key facility terms

Facility size	Up to $50m
Term	36 months from the date of drawdown
Rate	Fixed
Purpose	Buyer and Supplier finance, subject to credit policy/eligibility criteria
Equity options	80,547,396 call options with an exercise price of 4.2 cents per option expiring 36 months after financial close 50% of the options to vest on financial close 50% of the options to vest pro-rata to utilisation of $25m of the facility

The DW will enable the Company to grow and scale revenue with greater velocity. This vital piece of capability expands the Company's available capital to lend to customers, also enabling accelerated payments in the supply chain offering goods suppliers with capital on near real time terms. The Company is now positioned to deliver on the full potential of revenue streams from existing customer contracts.

First utilisation of the funds will refinance the existing portfolio and then a further ~$7m will be applied to growth in existing deals. Furthermore, the Company anticipates that existing channels will also utilise a further $10m in capital through the remainder of 2022.

The Company will continue to focus on existing channels in:

- Buying Groups, Franchise Networks and Marketplaces;
- Agriculture and Primary production; and
- Distributors / Major Corporates.

The Company has used the first half of 2022 to improve the scaling of its software ecosystem to support growing transactional business. As the Company scales its DW it would envisage appointing additional key personnel to support and scale such growth, which would include credit, compliance and treasury personnel.

Commenting on the establishment of the Debt Warehouse, Managing Director Adrian Floate said, "Scaling our lending facilities through our debt warehouse puts the Company in a strong position to capitalise on forecasted trends in business to business (B2B) payments. With digital adoption on the rise and growth in global trade, the demand for better payment infrastructure and faster access to working capital solutions will continue to accelerate.

The addition of in-line, point-of-activity lending services within our Accounts Receivable and Accounts Payable software provides businesses with another tool to combat missing or late payments. By shortening the invoice-to-pay lifecycle businesses lower their credit risk and improve their cash flow management, both key drivers in long-term business viability.

We feel the appetite demonstrated by the market to participate in our fund is a strong indication of our ability to scale via our innovation in both lending and payments that is underpinned by improved collaboration and B2B workflow enhancement."

- ENDS -

About Spenda

Spenda Limited (ASX: SPX) is a transaction services business supplying industries with a broad range of B2B payment services, digital trading software and integrated solutions. Our goal is to convert EFT payments to card payments utilising the BPSP engagement coupled with our payments collaboration framework. Our competitive advantages deliver customers end-to-end e-invoicing integration, rapid ordering, digital trust and automated reconciliation.

Spenda supplies its customers a recipe of integrated software to create a vertical market standard operating environment (SOE) that enables the effective and seamless transfer of data from multiple, disparate software systems in one standardised technology solution, such as SpendaRetail. Spenda has licensing agreements with third-party software vendors that enable it to provide integrated SOE solutions to its customers.

For investors seeking information on the Company's activities that relate to marketing, customer events and other acknowledgement of customer activities, this information will be posted to the Company's news section of the website and on social media channels with the handle #getSpenda, active on Twitter, LinkedIn, Instagram and Facebook.

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

This announcement has been authorised by the Board.

Investor Enquiries

Please email: investors@spenda.co