

ASX Release

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Strategic Investment in FSCO to cornerstone Agribusiness Strategy

Key Highlights

- Spenda makes strategic investment in FSCO to cornerstone its Agribusiness Strategy
- Spenda has invested \$1.025m for a 4% equity interest in FSCO, through the conversion of existing debt and will have the right to appoint a director to the FSCO board
- Later this month, the parties will release an Agri-specialised instance of the Spenda Accounts Receivable and Accounts Payable software that provides faster payments to primary producers and uses Agricultural operational data to de-risk Spenda's lending opportunity to this market segment
- The investment further aligns the two businesses and exposes Spenda to FSCO's extensive networks and credibility in the Agribusiness sector to deliver liquidity to every layer of the Agri value chain

Spenda Limited (**ASX: SPX, "Spenda" or "the Company"**) is pleased to announce a strategic investment of \$1.025m in blockchain data partner, Fresh Supply Co. Pty Ltd ("**Fresh Supply Co" or "FSCO"**), to continue the Company's growth into the Agricultural business sector, both domestically and internationally.

The investment in Fresh Supply Co is the digital cornerstone of Spenda's Agribusiness strategy that brings integrated provenance and farm operating data that can be used across the Spenda solution to trigger payments and de-risk lending.

Agribusiness transactions and payment flows are substantial and often greater than flows in other industries. FSCO has been recognised as a leader in the digitised asset space and is currently actively working across multiple food supply chains from aquaculture, horticulture to mixed farming, dairy and meat production.

Provenance is increasingly essential to each financial farming transaction and the FSCO implementation of the block chain provides a flexible and scaleable solution to capture, store and use farming data. Together we have neatly integrated the



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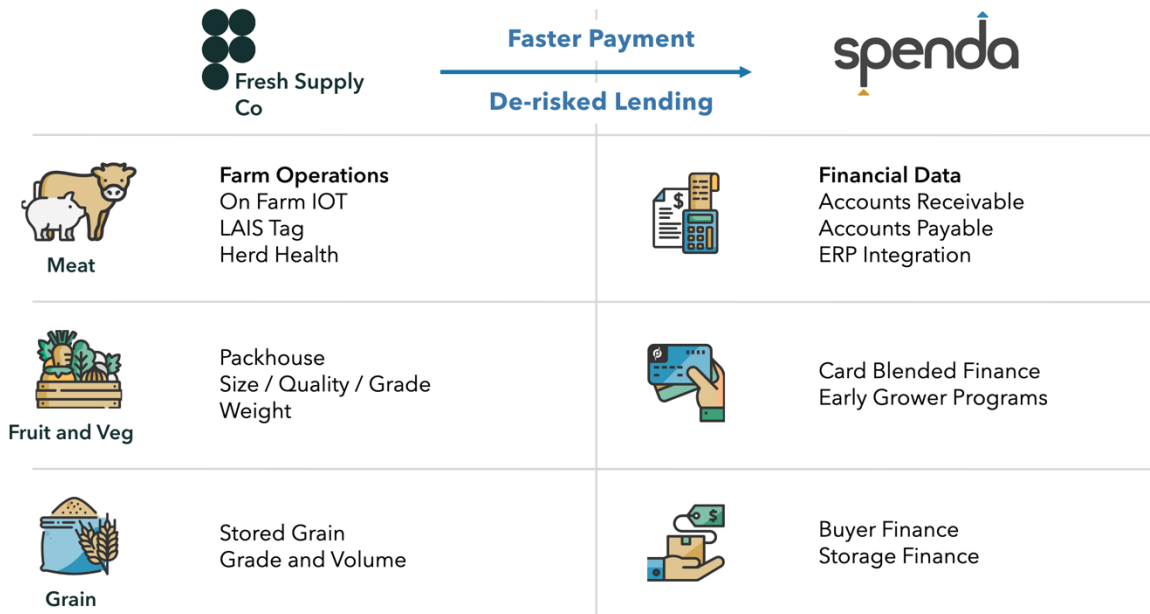
FSCO solution with Spenda's Accounts Receivable, Accounts Payable and Wallet capabilities to produce a joint product that can be adapted to both new and existing Agribusiness customers and deliver growers faster payment cycles and access to capital.

The Board of Spenda views the investment in Fresh Supply Co as both *tactical*, to facilitate faster "land grabbing" of customers and *strategic*, with Web 3.0 and open ledgers being amongst the high growth technologies that will likely shape the future of banking.

Fresh Supply Co and Spenda share a common mission, to build supply chain resilience by enhancing lending and payment flows with data driven decision making and real-time access to capital. This investment builds on the five-year Referral Agreement for trade finance services entered by the companies in July 2021 to grow Spenda's global payments and cash flow solution via cross border payment processing and export cash flow products.

Spenda will harness FSCO's Agri-Software integration and blockchain technology to deliver high value, monitored data about an asset, its location and its quality, that will be incorporated into Spenda's ecosystem. This will allow the Company to identify, value and transact upon it. Access to robust operational farming data enables Spenda to conduct continuous credit risk assessments, mitigate credit exposure risk and allow Spenda to automate payment triggers based on achieving specific milestones or criteria in the farming life cycle.

Spenda and FSCO have worked closely over the past year to develop and enhance their product mix to help agribusinesses gain end-to-end visibility and efficiencies across their supply chain. The joint solution combines the strengths of both businesses, leveraging operational data provided through FSCO's blockchain technology to streamline B2B payment operations and enable automated access to affordable financing.



This investment further aligns the two businesses and strengthens Spenda's presence in the agribusiness sector allowing the Company to plan with confidence, invest in product development specific to agriculture and explore new funding lines in the Company's debt warehouse structure.

Following this investment round, FSCO and Spenda will jointly go to market with an integrated customer offering that will enable the origination of business with improved efficiency.

Prior to this investment round, FSCO accessed funding via the SproutX Accelerator, with pre-seed finance provided via Artesian Venture Capital and subsequent seed round raised by prominent regional angel investors. This investment round will allow the FSCO tokenisation technologies to be commercialised resulting in an additional benefit to Spenda of higher growth yields.

Spenda will also work collaboratively with the other investors in FSCO to open up further agricultural business opportunities.

Headquartered in Brisbane, Australia and founded in 2017 by Dr. Benjamin Lyons and David Inderias, FSCO operates in several countries including Australia, Japan, USA, Latin America, and Europe. Its executive team consists of CEO, David Inderias, and COO Georgie Uppington.

FSCO acts as a data layer specialising in capturing operational farming data from a variety of sources and making it consumable by the financial sector. The ongoing data flow is visible through FSCO's technology and enables continuous credit risk assessment, minimisation of exposure, and automated triggering of payments based on the meeting of specific milestones or criteria.

Commenting on the investment, Adrian Floate, Managing Director of Spenda, said "As an agnostic supply chain solution, Spenda takes the friction out of business transactions, blurring the lines between the trading cycle, trade credit and structured debt. As part of our growth strategy, we need to forge secure partnerships with industry specific champions so that we can add industry specialisation to our software to meet the needs of different vertical markets. Combining the innovation in Fresh Supply Co's technology and the visibility they have in the data cycle with Spenda's Accounts Receivable and Accounts Payable technology stack provides a unique solution that offers irrefutable value to the Agricultural sector."

Joint customer Antony Allen, CEO of Avolution said, "I have confidence in FSCO and Spenda rolling out a joint solution to streamline, simplify, and finance agricultural supply chains. This is a great opportunity for agriculture to leverage financial tools and opportunities that have historically been limited to other sectors."

Bryce Graham Co-CEO at Argyle Food Group states "Argyle have always been innovative and taken a differentiated approach to doing business from sustainable production to export focus. We see the combined offering of data and lending in Spenda and FSCO, as the future of Agricultural finance - and certainly the direction the space is heading."

David Inderias, co-founder and CEO of Fresh Supply Co said, "Spenda and FSCO have a shared vision that has grown, since working together with joint partner Mastercard. That vision is the consolidation of data, payments, and lending technology. These are being applied to the Agrifood and commodity supply chain sector, which is particularly exciting given the importance of food security and supply chains.

We are seeing a push in the permanent recording of assets and financial flows in offline industries like agriculture and food production, otherwise known as tokenisation - centred around distributed ledgers/blockchain. This concept extends to payment triggers, deposits, and credit/debt, where new financial infrastructure for the next 10+ years is being built now.

The significance of this has already been voiced independently by JP Morgan, Black Rock, Santander, and Standard Chartered. FSCO differentiation is built on this technical expertise and capability, and is advanced in tangible applications of these technologies.

When coupled with Spenda Accounts Payable / Accounts Receivable, and Wallet technologies with FSCO Web 3.0 infrastructure, we will get real capabilities in working beyond the constraints of typical banking institutions - powered by data. We look forward to sharing the collaborative hard work that has been going on behind the scenes - watch this space.”

Authorised by Adrian Floate, Managing Director.

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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

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