

ASX Release

18 September 2023

Spenda PayFac Services Launch Market Update

Key Highlights

- Following the Company's announcement on 28 December 2022¹ it is pleased to report the completion of development, certification and launch of its Payment Facilitator ("PayFac") merchant payment services
- The Company will immediately commence implementation of customer merchant services totalling \$100m in annual payment volume
- The initial implementations are estimated to deliver more than \$1m in new Annual Recurring Revenue
- The PayFac merchant payment services will be used to service existing client networks, including Carpet Court

Spenda Limited (ASX: SPX, "Spenda" or "the Company") is pleased to announce that following an eight-month program of works, the Company has now launched its PayFac merchant payment services. These new payment services complement and enhance the Company's existing Business-to-Business (B2B) and Business-to-Consumer (B2C) payment rails as well as the Company's current and planned future lending services.

The PayFac launch unlocks improved efficiency for the Company that includes:

- Removing the duplicate sharing of compliance data when the Company bundles multiple service lines;
- The enablement of credit approval for both payments and lending in the same process (assuming customer eligibility);
- A reduction of Spenda's compliance costs;
- A reduction of Spenda's data breach risk; and
- A reduction in the cost of issuing and the enablement of the standardisation of Customer statements.



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The Company will commence boarding customers to the PayFac services today and expects to board approximately \$100m in new payment flow from existing customer agreements in the first quarter. These initial customer implementations are estimated to deliver more than \$1m in new annual recurring revenue (ARR).

PayFac services will be rolled out into Spenda's existing customer network as an upgrade offer while simultaneously being offered to new customer programs as a solution to reduce operating costs, increase loyalty and drive Spenda's total customer value. The Company anticipates growing the initial \$1m ARR, as new implementation programs are delivered. An important point to note is that the lead time to revenue generation from these services is relatively short, therefore, the Company will update the market as it observes material increases in the run rate or sign up new customers or partner networks which lift ARR estimates to higher maintainable levels.

As previously announced, existing customer networks such as Carpet Court have been or will be offered PayFac payment services. The launch of the PayFac capabilities provides Spenda and its partners with a substantial merchant acquisition and revenue opportunity that it believes will demonstrate Spenda's unparalleled competitive position as a payments company, with an ability to aggregate entire vertical markets and monetise flows from consumer to retailer all the way through to primary producer.

Spenda's Chief Executive Officer and Managing Director, Adrian Floate, added:

"This is a big day for the Company, as we release yet another piece of the vision that enables us to continue to deliver solutions to our customers that provide real value whilst also delivering Spenda an increase share of the wallet. Becoming a PayFac has been part of the plan for many years and it is exciting to see it come to life. I am very proud of the team, and I want to congratulate them on the speed with which they have delivered the PayFac capability."

¹ Refer to ASX announcement dated 28 December 2022 for additional information on the PayFac agreement.

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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

Please email: investors@spenda.co

