

ASX Release

16 October 2023

Spenda enters new agricultural vertical through partnership with AgriChain

Key Highlights

- **Expansion into agricultural vertical:** Spenda and AgriChain have entered into a Binding Agreement to integrate early payment services to grain growers onto the AgriChain platform.
- **Initial Spenda project NET revenue of up to \$1.1m:** Phase One of the program is expected to generate revenue of ~\$1.5m per annum. Spenda and AgriChain will revenue share 75% : 25% respectively.
- **Scale up in Q1 2024:** Upon successful completion of Phase One, Phase Two of the program is anticipated to scale up significantly in 2024.
- **Significant market opportunity:** AgriChain has ~\$2.2b in grain on their supply chain platform at any given point in time across 10,000 users and these transactions will run through Spenda's payment platform over time.
- **Strong pipeline of activity:** Spenda is well positioned to expand into livestock and horticultural markets under existing and new partnerships.

Spenda Limited (**ASX: SPX, "Spenda" or "the Company"**), an innovative software company with a wholistic supply chain solution ideal for trading networks and distributed marketplaces, is pleased to announce that it has entered into a Binding Agreement ("Agreement") with AgriChain Pty Ltd ("AgriChain"), to integrate early payment services to grain growers into the AgriChain Platform.

AgriChain provides an Enterprise Resource Planning ("ERP") system that connects buyers and sellers in the agricultural supply chain. The AgriChain network consists of approximately 10,000 users who are traders, producers, manufacturers, retailers, farmers and grain storers. Traders may include brewers, flour millers, animal feed manufacturers and other users of grain commodities.

The implementation of the Spenda AgriChain Solution is in line with the Company's **Node-to-Spoke** execution strategy, through the roll-out of services to AgriChain (the 'Node') and its network of more than 10,000 connected users (the 'Spokes'), to deliver business efficiencies through software, payment and lending services.



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Spenda, through its funder, will provide extended terms of trade to AgriChain customers through the provision of pre-approved virtual Mastercards (card-blended trade finance). Card-blended trade finance is an alternative to the Company's current debt warehouse structure and constitutes a new lending service delivered through Spenda's Payment Widget and embedded on the AgriChain platform.

Under the Agreement, Spenda will provide an early payment program ("EPP") to AgriChain's customers through the provision of a card blended finance solution delivered through Spenda's Payment Widget product and integrated into the AgriChain solution. The card-blended finance model will be used in parallel to Spenda's current debt warehouse structure but doesn't require first loss capital or credit enhancement.

The EPP will focus on farm storage and third-party stored grain for direct trading, farm input supplies for direct trading to farmers and manufacturers of various raw commodity and finished products. In FY23, AgriChain's customers recorded \$2.2b in grain sales within its open ledger supply chain platform.

The Spenda AgriChain Solution will be rolled out in two distinct commercial phases. In Phase One, commencing in Q2 FY24, Funds in Use will be initially capped at \$10m and will engage only a small portion of AgriChain's customer network (the 'Initial Users'). Revenue from the onboarding of the Initial Users will commence in Q2 FY24 and is expected to be up to approximately \$1.5m per annum. Spenda and AgriChain will revenue share 75% : 25% respectively. Phase Two will commence upon the successful completion of Phase One, which will likely commence in early 2024 and will involve the roll-out of the Spenda AgriChain solution to all eligible AgriChain customers.

This partnership represents a significant operational milestone for Spenda in expanding into agricultural vertical with a unique payments solution for agricultural supply chain platforms. Spenda is well positioned to expand into the livestock and horticultural markets under existing and new partnerships.

Caille Ditterich CEO of AgriChain, said: *"Spenda's unique payments solution is perfectly suited to our platform, which connects different buyers and sellers throughout the agricultural supply chain. Our customers need direct, secure and easy access to a range financing options and Spenda's 'early payment program' will enable our customers to improve their cash flow and working capital management. We expect our partnership with Spenda will accelerate our growth through increased transaction volumes on our platform and we may expand into other commodities such as fertiliser and other farm inputs."*



Spenda Managing Director Adrian Floate added: *"This is a transformational deal for both Spenda and AgriChain. The unique solution solves a genuine market need for payment automation for grain stored on farm. The partnership will bring significant benefits to buyers and sellers in the AgriChain community and set the benchmark for payments in on-farm stored grain trading. This partnership also highlights the versatility and application of our payments solutions to new verticals, from franchise groups and online market places to cross-border trade and now agricultural trading networks."*

– ENDS –

About Spenda

Spenda Limited (ASX:SPX) offers a unique payments solution to remove friction across a closed loop and decentralised marketplace, such as franchise networks, member organisations or agricultural supply chain networks. 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'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://investors.spenda.co/>

This announcement has been authorised by the Board.

Investor Enquiries

Please email: investors@spenda.co

