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ASX:SPX

Investor Presentation

November 2023

Spenda Limited (The Company)

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- General economic conditions and levels of economic activity;
- Global financial conditions;
- Financing risks;
- Degree of competition in the industry;
- Risks associated with the development of projects;
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All references to currency are in AUD unless otherwise specified.



UNIQUE CUSTOMER VALUE PROPOSITION

Spenda is an **innovative software** company that enables the **frictionless flow of funds** throughout a **supply chain** or **network** of buyers and sellers from producer to end-consumer.

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'Node-to-Spoke'

strategy for holistic supply chain solutions

Spenda simplifies the administration of procurement, invoicing and accounts receivables management through ledger-to-ledger reconciliation and standardised technology throughout the network.

Expand spokes to end-consumers

Expand spokes to buyers

Secure node first

Expand spokes to sellers

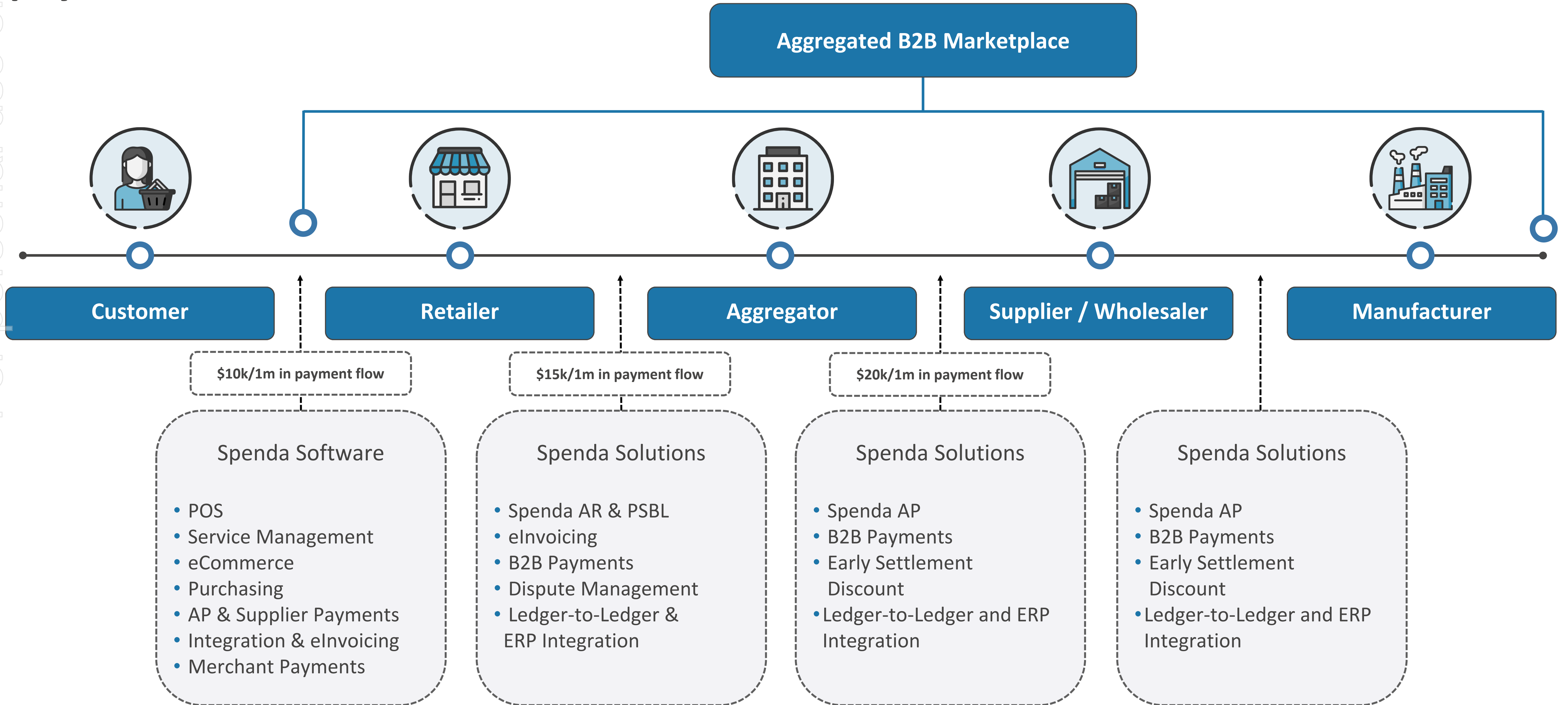
"Node to Spoke" Methodology



Benefits of Spenda's unique business model

- 01 Combines five vendors into one solution, leading to diversified revenue streams and de-risked overall implementation for a network of trading parties
- 02 End-to-end software integration through the supply chain enables long term customer contracts with low customer churn and high barriers to entry
- 03 Ledger-to-ledger integration reduces administration costs and improves operational efficiency for clients
- 04 Scalable solution with minimal customisation for each client that can be rolled out to new verticals
- 05 Captures transactions and payments through the value chain with the ability to capture and retain the large payment flow of end-consumers at a low cost of acquisition

Solution segments and payment flows



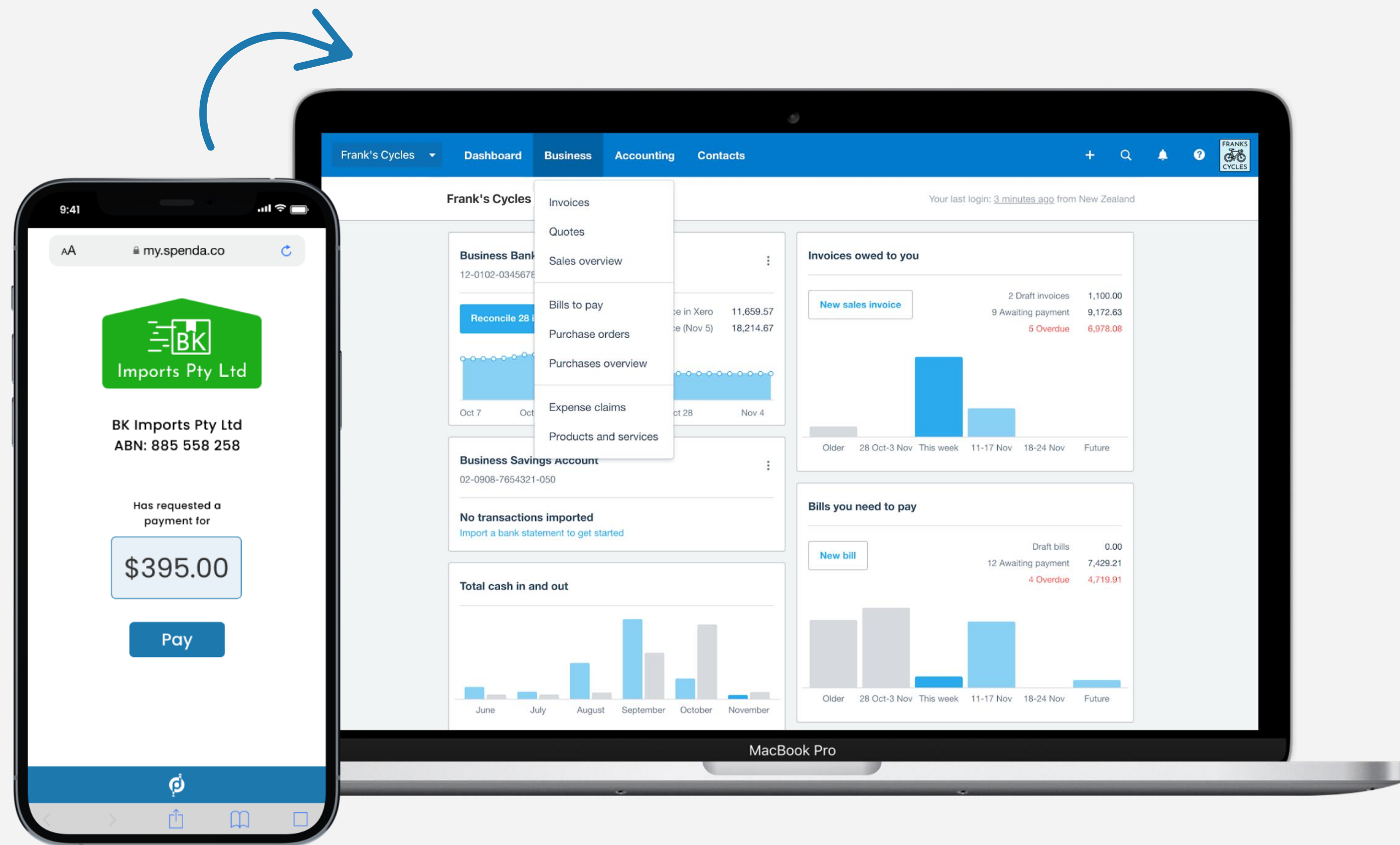
POS – Point of Sale; AR – Accounts Receivable; PSBL – Pay Statement By Link; ERP – Enterprise Resource Planning; AP – Accounts Payable; B2B – Business to Business

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Product demo

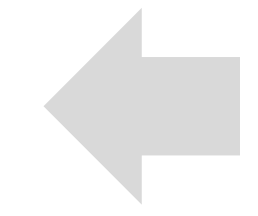
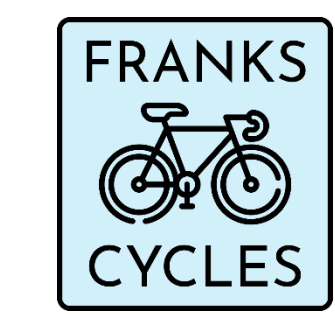
Pay Statement By Link – Seamless Ledger to Ledger Integration



Payment Successful

Your payment has been successfully processed

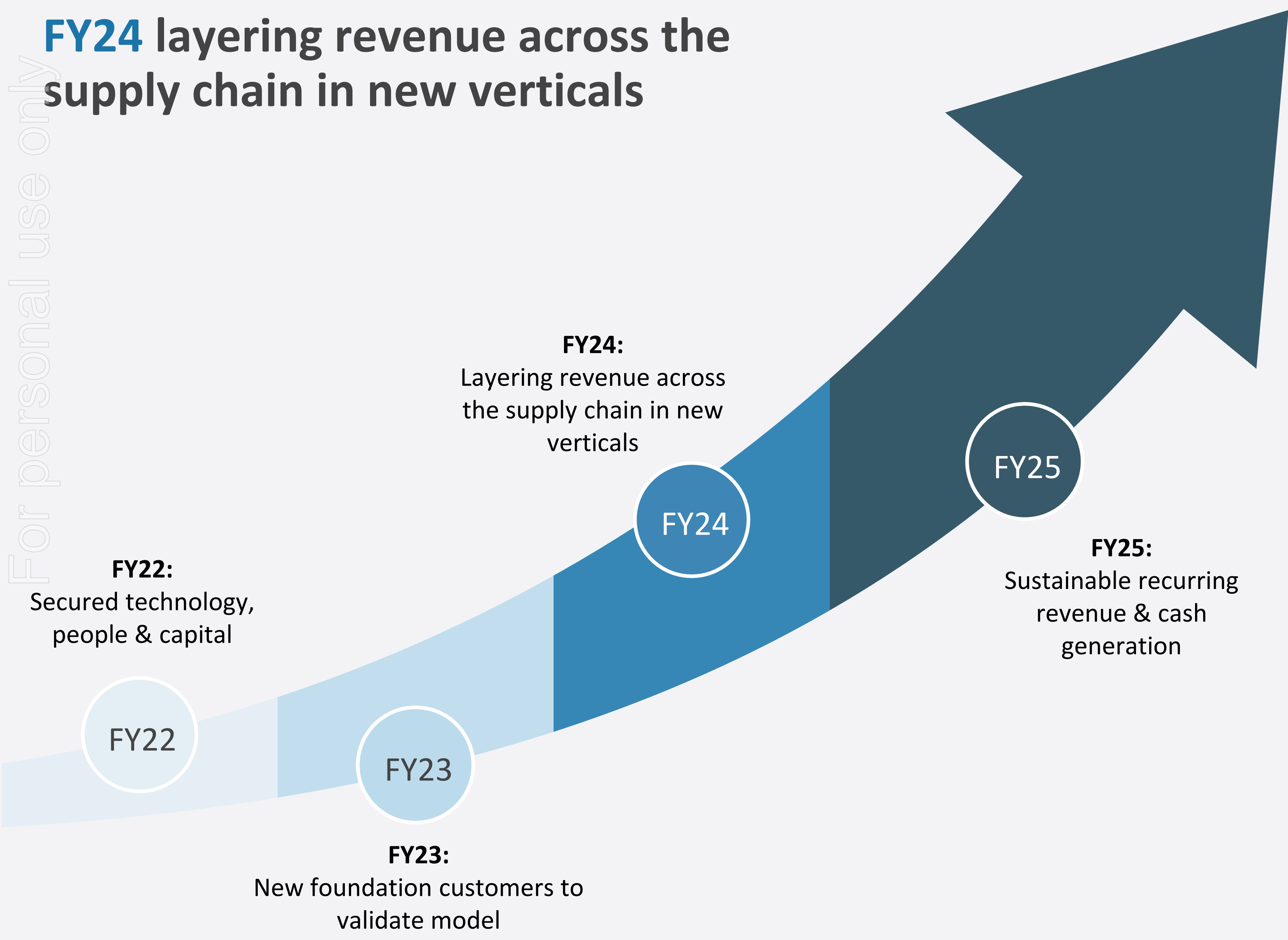
Setting The Scene



Frank owns a large bicycle store "Frank's Cycles" and orders new bikes, parts and accessories regularly throughout any given day from his preferred supplier BK Imports Pty Ltd. Every invoice, credit note and payment between Frank's Cycles and BK is entered manually in Frank's accounting system and then reconciled against his monthly statement, until Frank's supplier switched to Spenda...

FY24 layering revenue across the supply chain in new verticals

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Building transformational commercial opportunities

Four New Agreements



Spenda announced a five-year exclusive agreement with Carpet Court to offer lending services.

Successful rollout of payments infrastructure between head office and network of 205 franchised stores.



Spenda to integrate early payment services to grain growers onto the AgriChain platform and expands agricultural vertical.



DSD works successfully completed and now in final phase of DSD initiative followed by ten-year service agreement with commercial launch expected in early 2024.



Spenda to jointly offer a virtual card product, which enables the generation of credit card numbers for specific purposes or durations.

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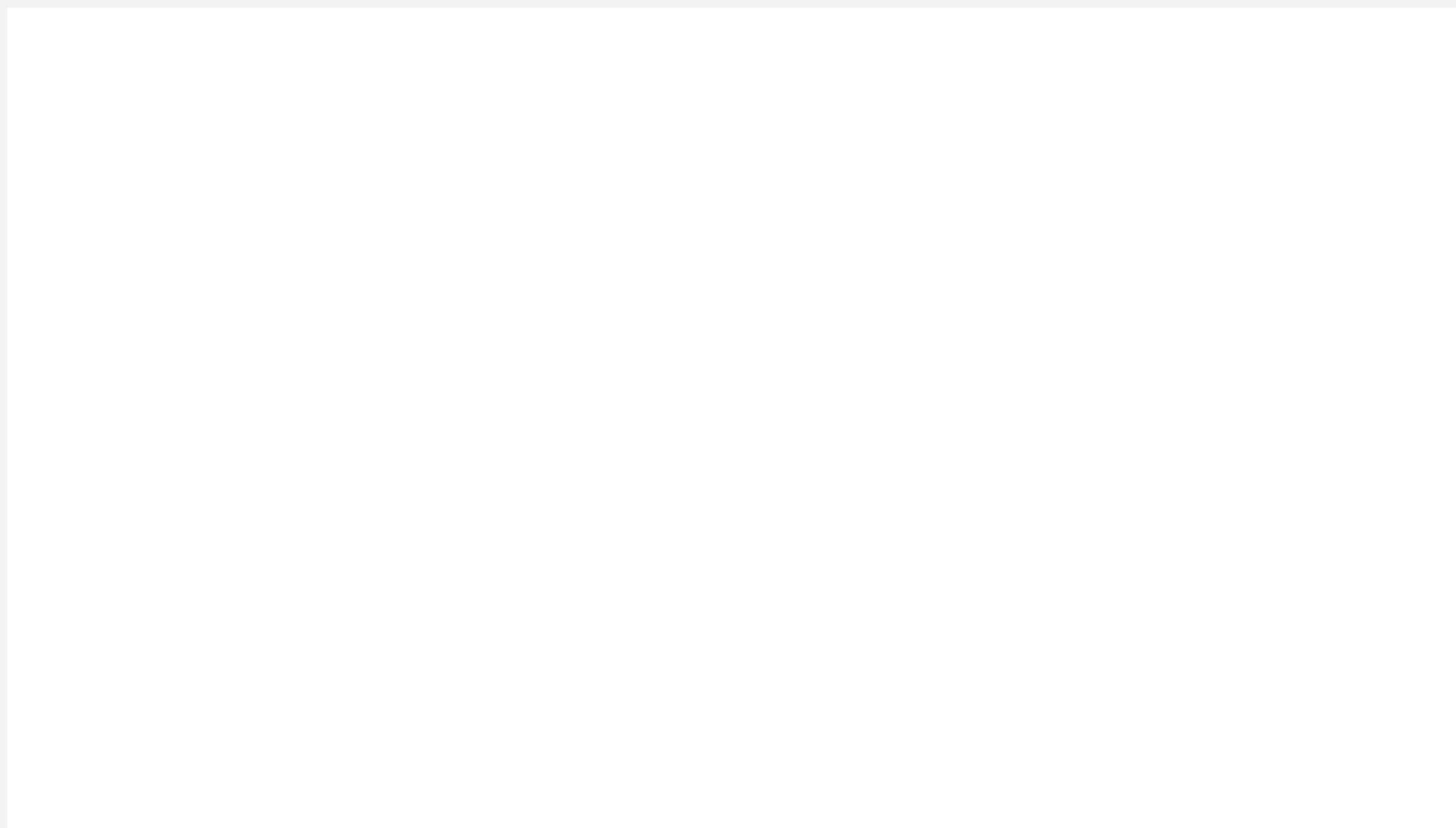
Validating our business model through **foundation customers**

Spenda strategically delivered services to different industry verticals to prove its supply-chain solution.

Carpet Court - Demonstrating Spenda's value prop in retail services through a franchise network.

Capricorn Society – Demonstrating Spenda's value prop in the automotive supply chain through a member driven buying group.

AgriChain – Demonstrating Spenda's value prop in the agricultural supply chain through a Platform Partner.



Delivering consistent increases in recurring revenue

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Current base income

Monthly
\$284k

Annual
\$3,404k



Recurring revenue through Carpet Court

Current contracts

Head Office Software
\$300k
plus Payments on
~\$20m/month

Plus B2C Payments, SOE Software and extended credit



Recurring revenue through Capricorn

Current contracts

DSD Software
\$1.2m plus SaaS variable fee

Plus \$1.8m in build cost (inc POC)



Current pipeline opportunities

New Business

Recurring Revenue p/m

Current RR \$284k

+

Min RR \$50k

+

Min RR \$100k

=

Min RR \$434k + Payments + New Business

CARPET COURT

DREAM IT. STYLE IT. LIVE IT.

Five-year exclusive agreement with Carpet Court

- Carpet Court is the largest floor covering specialist in Australia, with a growing network of 205 franchised stores
- Carpet Court has a presence in every State and Territory with annual retail sales of ~\$500m.

Scaling up payment flow

- Roll out of Spenda's payments infrastructure between Head Office and the network of 205 franchise stores (buyers)
- Payments between the store network and Carpet Court's Head Office are currently \$240m per annum (~\$20m per month)
- Five-year exclusive agreement for Spenda to provide working capital finance (extended credit) to Carpet Court's stores
- Spenda will receive multiple revenue streams including SaaS fees, transaction-related payment processing fees, and funding fees on extended credit for stores

Spenda solution delivering early results

- We have transformed Carpet Court's payments network by delivering 100's of hours a month in efficiencies, whilst offering additional payment options

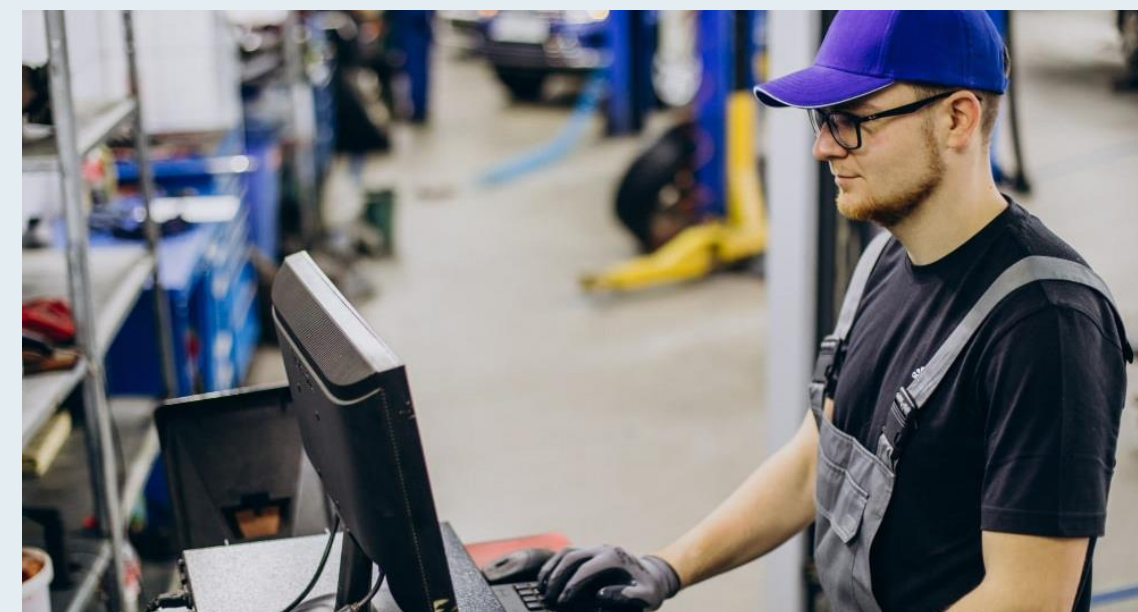
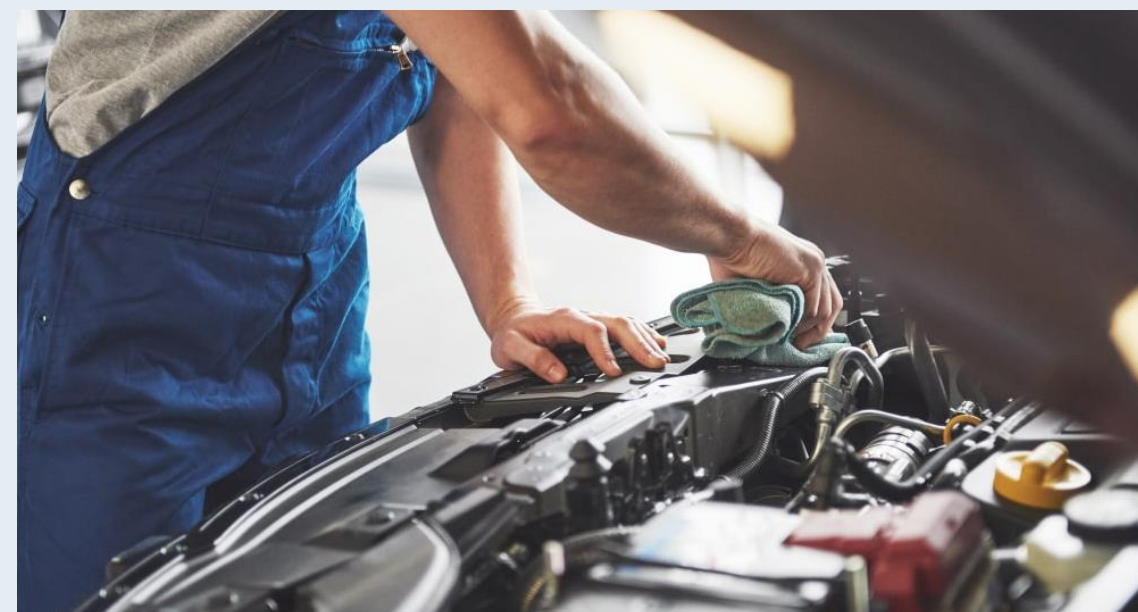


Ten-year service agreement with **Capricorn**

- Capricorn is a member-based organisation established in 1974 to primarily support businesses in the automotive industry
- The network consists of over 26,000 Members and more than 2,000 preferred Suppliers in every State and Territory in Australia and New Zealand
- Capricorn's Members purchase ~\$270m per month in parts from the approved Supplier network

Commercial launch expected in early 2024

- In May 2023, Spenda was selected as Capricorn's preferred supplier to deliver the first phase of its Digital Service Delivery (DSD) initiative
- The DSD initiative is a significant and strategic project that upgrades the payments infrastructure to Capricorn's Member & Preferred Supplier network
- In August 2023, the initial DSD works were successfully completed and negotiations commenced to extend the engagement
- In October 2023, the parties entered an 8-week contract for Spenda to complete the final phase of the DSD initiative, which involves security and platform Proof of Concept (POC)
- If the final stage is successful, expected in late 2023, the parties will move to commercial launch in early 2024
- Cornerstone investment terms agreed, for up to 412m shares (9.97%) via a private placement at \$0.0175 per share, prior to 31 Jan 2024



Spenda enters new agricultural vertical through partnership with **AgriChain**

- AgriChain provides an Enterprise Resource Planning (ERP) system that connects buyers and sellers in the agricultural supply chain
- The AgriChain network consists of ~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
- AgriChain has ~\$2.2b in grain on their supply chain platform at any given point in time across 10,000 users

Scale up in 2024

- In October 2023, Spenda and AgriChain entered into a Binding Agreement to integrate early payment services to grain growers onto the AgriChain platform
- Phase One of the program is expected to generate revenue of ~\$1.5m per annum. Spenda and AgriChain will revenue share 75%:25% respectively
- Upon successful completion of Phase One, Phase Two of the program is anticipated to scale up significantly in 2024
- Spenda is well positioned to expand into livestock and horticultural markets under existing and new partnerships

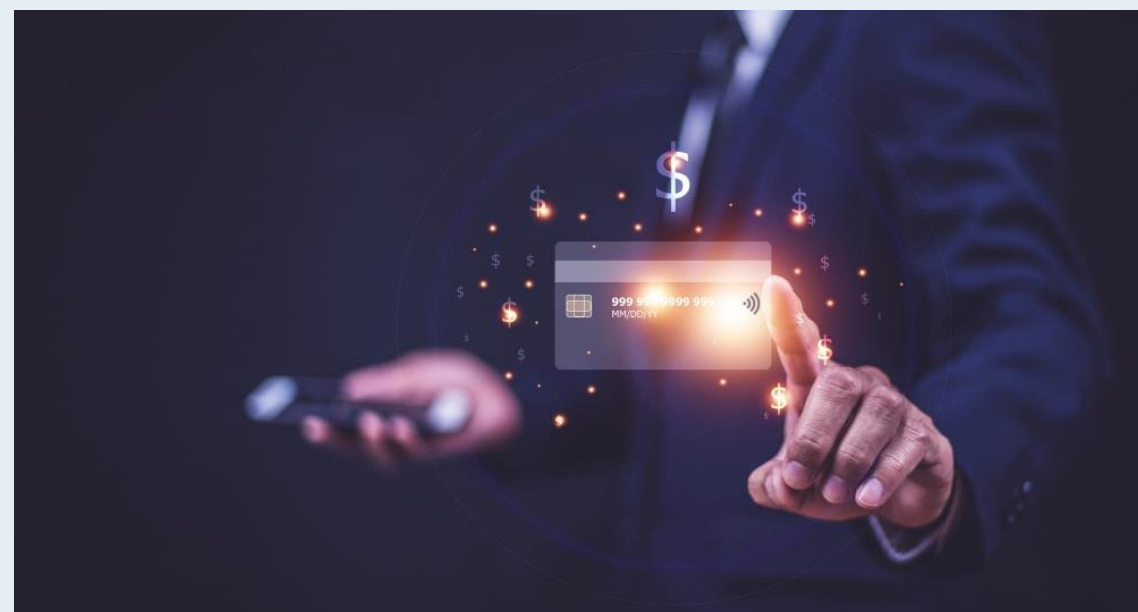


Spenda adds virtual cards to payments solution, in agreement with corporate payment expert, **AirPlus International**

- AirPlus International is a leading international provider of solutions in the corporate payment segment
- Around 53,000 corporate customers rely on AirPlus when it comes to paying for and analysing their business travel and other purchasing activities
- AirPlus is an issuer under the UATP and Mastercard card schemes

Enables scalability in payments

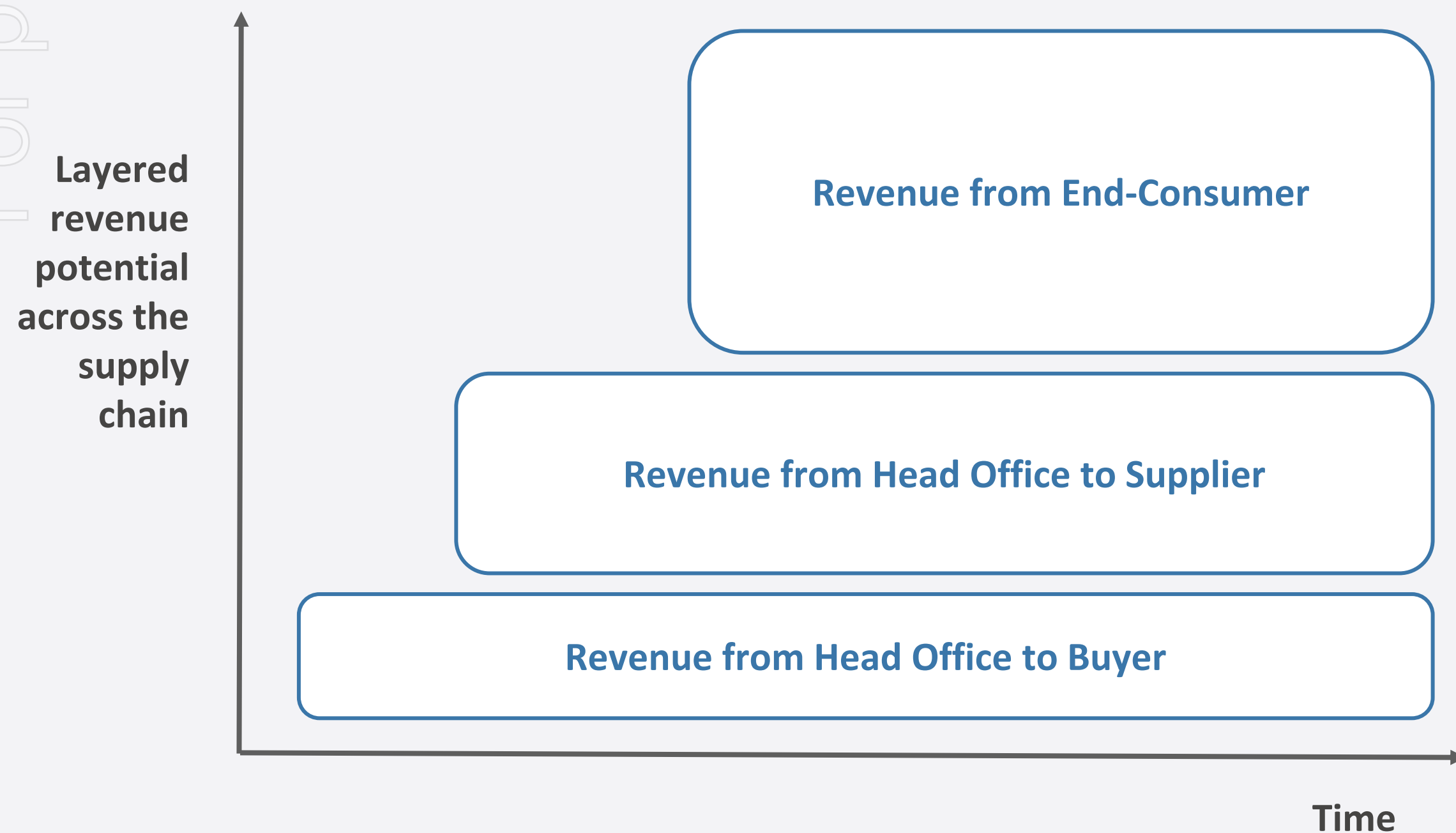
- In November 2023, Spenda signed a payment processing agreement with AirPlus to jointly offer a virtual card product, which enables the generation of credit card numbers for specific purposes or durations
- The virtual card is well suited to procurement purchases in the agricultural sector
- An \$18 million facility has been pre-approved by AirPlus for utilisation by AgriChain customers
- The virtual card will be backed by AirPlus, that will enable Spenda to scale into large facilities, cross-border opportunities and the delivery of international services
- Both parties are working together to develop a pipeline of opportunities to grow the virtual card product, both domestically and internationally



Layering revenue streams

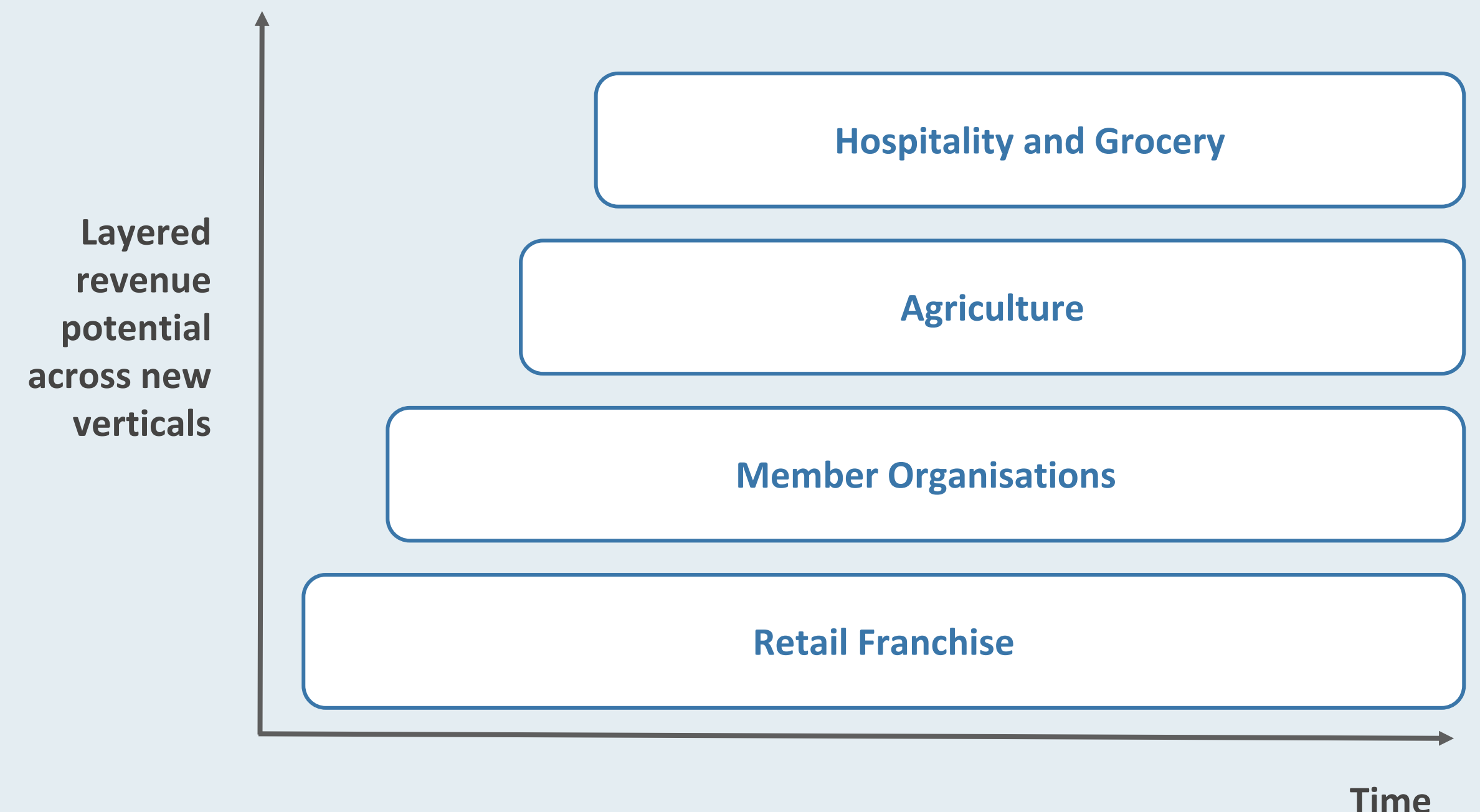
Further penetration across the supply chain for each client

- Start with Head Office and payment flows to and from the buyer network
- Expand payment solutions to supplier network for early payment discounts
- Install POS terminals at retail transaction (either in-store or online) to capture payment flow from end-consumers
- The payment flow from end-consumers would generally be the largest component in a supply chain and grow over time



Scalable growth across different industry verticals

- Initial commercial partnerships in retail franchise network (Carpet Court), an automotive member organisation (Capricorn) and an agricultural supply chain (AgriChain)
- Opportunities to further expand into livestock and horticultural markets in the agriculture vertical
- Opportunities to expand into hospitality and grocery



Building foundation for **international expansion**

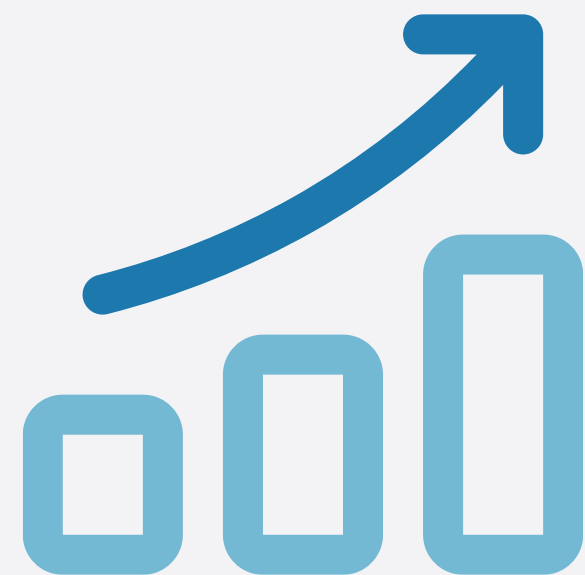
Spenda is establishing **international payment rails**, which provide the network infrastructure that allows all digital money transfers to be made between payers and payees, regardless of country, currency or digital payment method.

- **PayFac:** Spenda has a Payment Facilitator (PayFac) Agreement with Fiserv, which enhances the B2B and B2C payment rails and enables credit approval for both payments and lending in the same process.
- **AirPlus:** The agreement with AirPlus and the addition of virtual cards, enables cross-border opportunities and the delivery of international services which will enable Spenda to scale into larger facilities.
- **International expansion:** Subject to licensing, these services are transportable internationally enabling Spenda to offer its entire payments solution portfolio in any market

Initial focus for international expansion on Asia, and then US and Europe

Key development initiatives for FY24

Focus on scalability across verticals, including international markets, and expanding payments solutions



→ Virtual card issuance

→ Successful completion of Capricorn DSD Proof of Concept

→ Build and deliver Capricorn DSD Project

→ Verified Supplier Program

→ Quote to Pay backed by PayFac

→ Deploy Spendax Retail Standard Operating Environment (SOE)

→ Aggregated B2B marketplace technology

Q1 FY24 financial results snapshot

Cash Receipts

\$749K

+5%



Q1 FY23: \$716K

Loan Book Peak

\$15.5m

+32%



Q1 FY23: \$10.5m

Total Payment Flow

\$61.8m

+415%

Q1 FY23: \$12m

Current contracts suggest the Company will process more than \$1b in the FY24 period.

Average Portfolio Yield

21.2%

+14%

STEADY YEAR ON YEAR

Market Cap

(as at 31 Oct 2023)

\$40.4m

Cash on Hand

(as at 30 Sep 2023)

\$6.9m

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Upcoming operational milestones in FY24

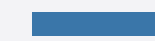
Further penetration through Carpet Court supply chain

- Deliver POS terminals to franchise stores
- Increase payment flow through network



Commercial launch with Capricorn

- Finalise POC in late 2023
- Revenue generation from payment flow in Q4 FY24



Global payments and entry into Asia-Pacific region

- Addition of international settlement rails and cross-border payments
- Launch of B2C and B2B payment services in Singapore



Entry into new verticals

- Expansion into hospitality and grocery
- Further expansion in agriculture



Additional cash payments expected

- R&D tax rebate of \$2m expected in Q2 FY24
- Cornerstone investment from Capricorn of \$7m expected in Q3 FY24



On the path to profitability

- Maintain operating costs in FY24
- Revenue and earnings weighted to 2H FY24



Board of directors

Adrian Floate
Managing & Executive Director

Peter Richards
Non-Executive Chairman

Howard Digby
Non-Executive Director

Stephen Dale
Non-Executive Director

David Laird
Non-Executive Director

Justyn Stedwell
Company Secretary

Executive leadership team



Adrian Floate
Chief Executive Officer



Richard Jarvis
Chief Financial Officer



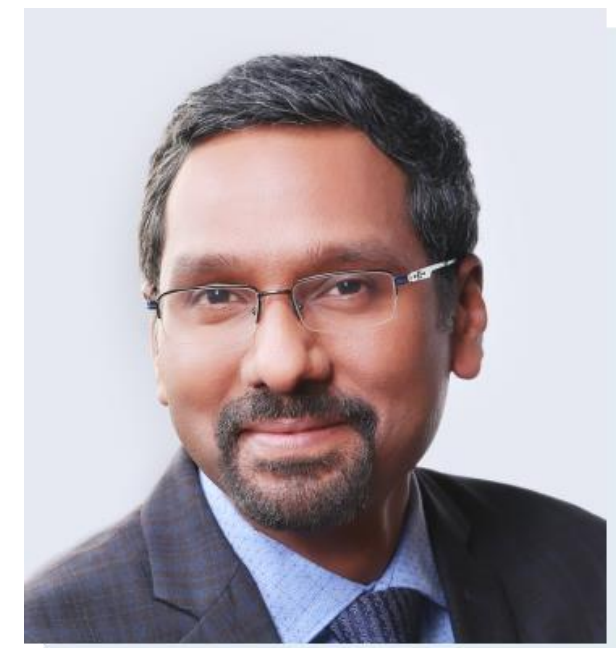
Andy Hilton
Chief Commercial Officer



David Wood
Chief Product Officer



Corrie Hassan
Chief Operating Officer



Raghav Jain
CEO Spenda India



Olivia Johnson
Chief Revenue Officer

Thank you.

Approved by the Board of Directors



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