

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Spenda Limited

ACN/ARSN ACN 099 084 143

1. Details of substantial holder (1)

Name Capricorn Society Limited

ACN/ARSN (if applicable) 008 347 313

The holder became a substantial holder on 31 / 01 / 2024

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Persons' votes (5)	Voting power (6)
Fully-paid ordinary shares (Shares)	622,475,206	622,475,206	14.43%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Capricorn Society Limited	Registered holder of the ordinary securities by virtue of the subscription agreement entered into by Capricorn Society Limited and Spenda Limited (a copy of this is attached at Annexure A)	592,975,206 Shares
Capricorn Society Limited	Registered holder of the ordinary securities by virtue of on-market purchases of Shares	29,500,000 Shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Capricorn Society Limited	Capricorn Society Limited	Capricorn Society Limited	622,475,206 Shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Capricorn Society Limited	30 / 01 / 2024	\$208,000	N/A	15,000,000 Shares
Capricorn Society Limited	31 / 01 / 2024	\$218,500	N/A	14,500,000 Shares
Capricorn Society Limited	31 / 01 / 2024	\$7,175,000	N/A	592,975,206 Shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Capricorn Society Limited	28 Troode Street, West Perth WA 6005, Australia

Signature

print name Kristy Kyi

capacity Company Secretary

sign here



date 31/01/2024

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. If the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

Spenda Limited (ACN 099 084 143)

This is Annexure A of 21 pages referred to in Form 603 (Notice of Initial substantial holder) by Capricorn Society Limited.

This Annexure A is a true copy of the original document.

Signed:



Name:

Kristy Kyi

Capacity:

Company Secretary

Date:

31 January 2024

For personal use only

For personal use only

**Spenda Limited
(ACN 099 084 143)
(Company)**

AND

**Capricorn Society Limited
(ACN 008 347 313)
(Subscriber)**

SHARE SUBSCRIPTION AGREEMENT

Ref: MB:TCD:4963:001



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SHARE SUBSCRIPTION AGREEMENT (Agreement) dated 29 January 2024

BETWEEN

Spenda Limited (ACN 099 084 143) of Unit 605, 275 Alfred Street, North Sydney NSW 2060 (**Company**)

AND

Capricorn Society Limited (ACN 008 347 313) of 28 Troode Street, West Perth WA 6005 (**Subscriber**)

BACKGROUND

- A. The Subscriber wishes to apply and subscribe for the Subscription Shares and the Company wishes to allot and issue the Subscription Shares to the Subscriber.
- B. The parties have agreed to enter into this Agreement to set out the terms on which the Subscription Shares will be subscribed for by, and allotted and issued to, the Subscriber.

OPERATIVE PROVISIONS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

ASX means ASX Limited (ACN 008 624 691) or the securities exchange operated by it (as the context requires).

AWST means Australian Western Standard time, being the time in Perth, Australia.

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Western Australia.

Change of Control Proposal means any proposal, offer, agreement, arrangement or transaction, which if entered into or completed, would result in a Third Party (alone or with an associate) directly or indirectly acquiring a Relevant Interest, voting power, economic interest or derivative transaction in 20% or more of the voting shares (calculating having regard to securities convertible into voting shares) of the Company.

Company Board means the board of directors of the Company.

Company Group means the Company and each of its subsidiaries.

Company Group Member means a member of the Company Group.

Constitution means the Company's constitution, as amended from time to time.

Control has the meaning given to that term in section 50AA of the Corporations Act.

Convertible Securities has the meaning given in clause 4.2(b).

Corporations Act means the *Corporations Act 2001* (Cth).

Encumbrance means any security for the payment of money or performance of obligations and includes a mortgage, charge, pledge, lien, trust, title retention, preferential right,

easement, restrictive or positive covenant or any other adverse right or interest of any nature.

Equity Security has the meaning given to that term in the Listing Rules.

Execution Date means the date on which this Agreement is signed by the last party to do so.

Government Agency means any government or any governmental, semi-governmental, administrative, statutory or judicial entity (including a court), commission, tribunal, agency or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere.

Insolvency Event means, in respect of a party:

- (a) an order is made or an effective resolution is passed or legislation is enacted for its dissolution, liquidation or winding up (except on a reorganisation or amalgamation, or a voluntary members' winding up);
- (b) it becomes insolvent or makes an assignment for the benefit of its creditors or is unable to pay its debts as the same become due;
- (c) a receiver is appointed and takes possession of the whole or a material part of its assets or undertaking and that receiver is not removed or does not withdraw within two weeks of his appointment or taking possession of those assets; or
- (d) the happening of any event in relation to that party which leads to it becoming unable to pay its debts as and when they fall due.

Listing Rules means the ASX Listing Rules in force from time to time.

New Issue means an issue by the Company of new Shares or other Equity Securities in Company (other than a new issue which is excluded under clause 4.2(c)).

Notice has the meaning given in clause 8.4(a).

Ownership Percentage means the Subscriber's (or its nominee's) percentage Relevant Interest in the Shares on issue immediately prior to any relevant New Issue.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Relevant Interest has the meaning given to that term in the Corporations Act.

Representatives means in relation to a party, means an employee, agent, officer, director, adviser or financier of or to that party (or of a Related Body Corporate of that party), and, in the case of advisers and financiers, includes employees, officers and agents of the adviser or financier (as applicable).

Share means a fully paid ordinary share in the capital of the Company.

Subscriber Director has the meaning given in clause 4.1(a).

Subscriber Counterproposal has the meaning given in clause 5.2(a)(iv).

Subscription Amount means \$7,175,000.

Subscription Date means the date which is one Business Day after the Execution Date, or such other date as may be agreed between the Company and the Subscriber.

Subscription Price means \$0.0121 per Share.

Subscription Shares means 592,975,206 Shares.

Third Party means any person or entity other than the Company, the Subscriber or any of their respective Related Bodies Corporate.

WST means Western Standard Time as observed in Perth, Western Australia.

1.2 Interpretation

In this Agreement, unless the context otherwise requires:

- (a) clause and subclause headings are for reference purposes only;
- (b) reference to a clause or paragraph is a reference to a clause or paragraph of this Agreement;
- (c) the singular includes the plural and vice versa;
- (d) words denoting individuals or persons include bodies corporate and trusts and vice versa;
- (e) reference to writing includes any means of electronic communication or reproduction of words;
- (f) where a word or phrase is defined its other grammatical forms have a corresponding meaning;
- (g) any reference to a party to this Agreement includes its successors and permitted assigns;
- (h) any reference to any agreement or document (including this Agreement) includes that agreement or document as amended at any time;
- (i) the word "including" and similar expressions are not words of limitation;
- (j) when a thing is required to be done or money required to be paid under this Agreement on a day which is not a Business Day, the thing must be done and the money paid on the immediately preceding Business Day;
- (k) reference to a statute includes all regulations and amendments to that statute and any statute passed in substitution for that statute or incorporating any of its provisions to the extent that they are incorporated;
- (l) reference to an amount of money is reference to the amount in the lawful currency of Australia unless stated otherwise;
- (m) any promise, agreement, representation or warranty given or entered into on the part of two or more persons binds each of them severally but not jointly; and
- (n) any promise, agreement, representation or warranty in favour of two or more persons is for the benefit of each of them severally but not jointly.

2. SUBSCRIPTION

2.1 Subscription

The Subscriber must, on the Subscription Date:

- (a) subscribe for and accept the issue of, or procure that its nominee subscribes for and accepts the issue of, the Subscription Shares; and
- (b) pay to the Company the Subscription Amount by bank cheque or electronic funds transfer into the Company's account.

2.2 Issue and quotation

The Company must, on the Subscription Date:

- (a) issue and allot or procure the issue and allotment of the Subscription Shares to the Subscriber (or its nominee);
- (b) register or procure the registration of the Subscriber (or its nominee) as the holder of the Subscription Shares; and
- (c) apply to ASX for quotation of the Subscription Shares and do all things reasonably necessary to ensure that the Subscription Shares are quoted as soon as practicable on such terms and conditions as are usual for quotation of securities.

2.3 Interdependence

The obligations of the Subscriber under clause 2.1 and the Company under clause 2.2 are interdependent and are intended to be satisfied contemporaneously.

2.4 Acknowledgement

The Subscriber acknowledges that on or before the Subscription Date it has been provided with a copy of the Constitution and upon completion of the Subscription, it will be bound by the Constitution.

2.5 Holding statements

The Company will take all steps to procure the delivery to the Subscriber, as soon as practicable after the Subscription Date, of a holding statement evidencing that the Subscription Shares have been issued and allotted to the Subscriber (or its nominee) in accordance with this Agreement.

2.6 Cleansing

The Company must either:

- (a) give ASX a notice under section 708A(5) and which complies with section 708A(6) of the Corporations Act within 5 Business Days after the Subscription Date; or
- (b) if the notice under clause 2.6(a) is not able to be issued by the Company or for any reason is not effective to ensure that an offer for sale of the Subscription Shares by the Subscriber (or its nominee) does not require disclosure to investors or the purchaser, then the Company must, no later than 15 Business days after the Subscription Date, lodge with ASIC a prospectus prepared in accordance with the

Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Subscription Shares by the Subscriber (or its nominee) does not require disclosure to investors or the purchaser.

3. STATUS OF SUBSCRIPTION SHARES

All Subscription Shares issued to the Subscriber will:

- (a) be issued as fully paid;
- (b) be free of all Encumbrances; and
- (c) rank equally in all respects with all other Shares then on issue.

4. POST-COMPLETION RIGHTS AND OBLIGATIONS

4.1 Company Board representation

- (a) From the Subscription Date and continuing for so long as the Subscriber holds a Relevant Interest in not less than 10% of the Shares on issue in the Company, the Subscriber will have the right to nominate a director to the Company Board (**Subscriber Director**).
- (b) The Company must:
 - (i) subject to clause 4.1(b)(ii) below, take all steps necessary to cause the Subscriber Director to be appointed to the Company Board on the Subscription Date (including passing a Company Board resolution appointing that person as a director of the Company conditional only upon completion of the Subscription occurring); and
 - (ii) if the Company has not received a signed consent to act as a director of the Company from the Subscriber Director prior to the Subscription Date, the Company must take all steps necessary to cause the Subscriber Director to be appointed to the Company Board immediately upon receipt of that consent.
- (c) Following the appointment of the Subscriber Director, the Company must:
 - (i) ensure that the Subscriber Director is proposed for election as a Director at the next annual general meeting of the Company and at all subsequent general meetings of Company at which Subscriber Director is due for re-election; and
 - (ii) ensure the Company Board recommends the re-election of Subscriber Director at the next annual general meeting or general meeting of the Company (as applicable) including any general meeting that seeks to remove the Subscriber Director as a director.
- (d) The obligations on the Company in clauses 4.1(b) and 4.1(c) are subject to the Company Board (acting reasonably) not concluding that the Subscriber Director is not of good character or repute or has inappropriate experience to be a director of a public company in Australia in which case the Company must inform the Subscriber of this fact and ask for an alternative person to act as Subscriber Director.

- (e) If at any time a Subscriber Director resigns, is removed or not re-elected and the requirements of clause 4.1(a) remain fulfilled, the Subscriber may nominate a replacement Subscriber Director and this clause 4.1 shall continue to apply.
- (f) If the Subscriber holds a Relevant Interest in less than 10% of the Shares on issue for more than 30 consecutive days, the Subscriber's right under clause 4.1(a) will cease to apply and the Subscriber will procure that the Subscriber Director resigns as a director of the Company as soon as practicable and in any event within 5 Business Days of the end of the above 30 day period.
- (g) Any Subscriber Director appointed in accordance with this clause 4.1 must be appointed on the same terms as the other non-executive directors of the Company, including terms of remuneration, cost reimbursement and rights of indemnity, access and insurance.

4.2 Participation in New Issues of Equity Securities

- (a) Subject to the remainder of this clause 4.2, on and from the Subscription Date and continuing for so long as the Subscriber holds a Relevant Interest in not less than 10% of the Shares on issue in the Company, the Company will use reasonable endeavours to allow the Subscriber to participate in any New Issue on the same terms as other participants in the New Issue, up to such additional number of Equity Securities as would be sufficient to enable the Subscriber to maintain its Ownership Percentage.
- (b) Where a New Issue is an issue of Equity Securities convertible into Shares (**Convertible Securities**), then the Company will use reasonable endeavours to allow the Subscriber to subscribe for such number of the Convertible Securities to maintain its Ownership Percentage calculated on the basis of all such Convertible Securities issued under the New Issue being converted into Shares.
- (c) The parties acknowledge and agree that there is no obligation on the Company to use endeavours to allow the Subscriber to participate in an issue by the Company of:
 - (i) Equity Securities issued pursuant to a pro-rata entitlement issue or pursuant to any other rights made available to all shareholders of the Company (including the Subscriber);
 - (ii) Equity Securities where the Subscriber has waived its rights under this clause 4.2;
 - (iii) Equity Securities issued pursuant to any asset acquisition, merger, business combination, tender offer, exchange offer, takeover or scheme of arrangement;
 - (iv) Equity Securities under a bona fide employee incentive scheme;
 - (v) Equity Securities on conversion of any convertible securities or options which are on issue as at the Execution Date; or
 - (vi) Equity Securities for bona fide non-cash consideration.

- (d) The consideration payable by the Subscriber in a New Issue if it elects to participate under this clause 4.2 will be equivalent to the cash consideration paid by third parties.

5. MATCHING RIGHT

5.1 Notification of approaches

- (a) On and from the Subscription Date and continuing for so long as the Subscriber holds a Relevant Interest in not less than 10% of the Shares on issue in the Company, the Company must promptly (and in any event within 2 Business Days) notify the Subscriber in writing if the Company or any of its Representatives:
- (i) receives any approach, inquiry or proposal made by any Third Party to initiate any discussions or negotiations that could reasonably be expected to lead to a Change of Control Proposal;
 - (ii) receives any request made by any Third Party to the Company or any of its Representatives for any information relating to a Company Group Member or any Company Group Member's business, assets or undertakings, in relation to such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, an actual, proposed or potential Change of Control Proposal; or
 - (iii) provides any information relating to a Company Group Member or any Company Group Member's business, assets or undertakings to any Third Party in relation to or for the purposes of any actual, proposed or potential Change of Control Proposal.
- (b) A notice given under clause 5.1(a) must be accompanied by all material details of the relevant event and Change of Control Proposal, including (as the case may be):
- (i) subject to clause 5.1(c), the identity of the Third Party who made the relevant approach, inquiry or proposal to initiate discussions or negotiations referred to in clause 5.1(a)(i) or who made the relevant request for information referred to in clause 5.1(a)(ii); and
 - (ii) the material terms and conditions (including price, conditions precedent, timetable and break free (if any)) of any Change of Control Proposal or any proposed Change of Control Proposal (to the extent known).
- (c) The Company will use its reasonable endeavours to ask the person who has made the applicable Change of Control Proposal for their consent to their name and other identifying details which may identify the competing party being provided by the Company to the Subscriber on a confidential basis, provided that, if such consent is refused, the Company will not be required to disclose that information to the Subscriber
- (d) On and from the Subscription Date and continuing for so long as the Subscriber holds a Relevant Interest in not less than 10% of the Shares on issue in the Company, the Company must promptly provide the Subscriber with:
- (i) in the case of written materials, a copy of; or
 - (ii) in any other case, a written statement of,

any material non-public information relating to a Company Group Member or any Company Group Member's business, assets or undertakings made available or received by any Third Party in relation to such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Change of Control Proposal and which has not previously been provided to the Subscriber.

- (e) Nothing in this clause prevents the Company from:
- (i) providing information to its Representatives;
 - (ii) providing information to any Government Agency;
 - (iii) providing information to its auditors, advisers, customers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
 - (iv) providing information required to be provided by law or any Government Agency; or
 - (v) making presentations to brokers, portfolio investors, analysts and other third parties, in each case, in the ordinary course of business and without the purpose of circumventing the restrictions in this clause 5,

nor does this clause 5 require any such information to be correspondingly provided to the Subscriber in those circumstances.

5.2 Company's response to potential bidder and Subscriber's right to respond

- (a) The Company must procure that none of the Company's directors publicly recommends a Change of Control Proposal, and must not enter into any agreement to implement a Change of Control Proposal, unless:
- (i) the Company has provided to the Subscriber written notice of the material terms of the Change of Control Proposal (including the identity of the Third Party making the actual, proposed or potential Change of Control Proposal (together with any controlling entity of that Third Party)) subject to and in accordance with clause 5.1;
 - (ii) the Company has provided to the Subscriber a copy of any other information required to be provided to the Subscriber under clause 5.1;
 - (iii) the Company has given the Subscriber no more than 5 Business Days after the date of the provision of the notice under clause 5.2(a)(i) to provide a matching or superior proposal to the terms of the actual, proposed or potential Change of Control Proposal; and
 - (iv) after 5 Business Days of receiving notice from the Company under clause 5.2(a)(i), the Subscriber does not make an offer in writing to the Company (**Subscriber Counterproposal**) that the Company Board determines, acting in good faith, would result in an outcome for the Company's shareholders that is at least as favourable as under the Change of Control Proposal, taking into account all terms and conditions of the Subscriber Counterproposal.
- (b) If the Company Board determines that the Subscriber Counterproposal would be more favourable or no less favourable to the Company and the Company's

shareholders than the Change of Control Proposal (having regard to the matters noted in clause 5.2(a)(iv)) then:

- (i) the Company and the Subscriber must use reasonable endeavours to enter into a legally binding agreement to give effect to and implement the Subscriber Counterproposal; and
 - (ii) the Company must use its best endeavours to procure that the Company Board recommend the Subscriber Counterproposal to the Company's shareholders and not recommend the applicable Change of Control Proposal.
- (c) The Company agrees that each material modification of any Change of Control Proposal will constitute a new Change of Control Proposal for the purposes of the requirements under this clause 5 and the Company must comply with this clause 5 in relation to any new Change of Control Proposal.
- (d) For the avoidance of doubt, in the event that the Subscriber has not made a Subscriber Counterproposal by the expiry of the 5 Business Days referred to in clause 5.2(a)(iv), the Company may enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a Third Party proposes to undertake or give effect to a Change of Control Proposal.

5.3 **No restriction or prevention**

Nothing in this clause 5 is intended to restrict or prevent the Company or its directors from performing or fulfilling any obligations to which they are subject at law, in equity or under statute.

6. REPRESENTATIONS AND WARRANTIES

6.1 **Mutual representations and warranties**

Each party represents and warrants to the other party on each date between the Execution Date and the Subscription Date (as if made on each such day) that:

- (a) it has full power and lawful authority to enter into and perform its obligations under this Agreement; and
- (b) the execution and performance of this Agreement by it does not and will not contravene any provision of:
 - (i) any agreement by which it is bound; or
 - (ii) any law to which it is subject.

6.2 **Company representations and warranties**

The Company represents and warrants to the Subscriber on each date between the Execution Date and the Subscription Date (as if made on each such day) that:

- (a) the issue of the Subscription Shares to the Subscriber does not and will not contravene any provision of:
 - (i) the Constitution;

- (ii) the Listing Rules (including Listing Rule 7.1), or the Corporations Act; or
 - (iii) any law to which the Company is subject;
- (b) it is a corporation duly incorporated and validly existing under the Corporations Act;
 - (c) no Insolvency Event has occurred or remains current in respect of the Company;
 - (d) it has obtained all consents and approvals required to enable it to allot and issue the Subscription Shares to the Subscriber;
 - (e) as at the Execution Date, the Company has on issue the following Equity Securities:
 - (i) 3,679,482,593 fully paid ordinary shares;
 - (ii) 210,344,167 listed options to acquire fully paid ordinary shares; and
 - (iii) 640,073,986 unlisted options to acquire fully paid ordinary shares; and
 - (f) other than the obligations of the Company to issue Shares on the exercise of any options or performance rights specified in clause 6.2(e) above, or as disclosed by the Company to either the ASX or the Subscriber prior to the Execution Date, neither the Company nor any Related Body Corporate is under any obligation to issue Equity Securities to any person (whether subject to conditions or not).

6.3 Acknowledgement

Each party acknowledges to the other that:

- (a) in entering into this Agreement, the other party has relied upon the representations and warranties given in this clause;
- (b) the warranties given by it were given as an inducement to the other to enter into this Agreement; and
- (c) each warranty is to be treated as a separate warranty.

6.4 Indemnity

Each party agrees to indemnify the other from any liability or loss that may be incurred or sustained by that other party or its Related Body Corporate as a result of any of the warranties set out in this clause 6 not being true and complete when given.

6.5 Survival

This clause 6 survives the expiry or termination of this Agreement.

7. CONFIDENTIALITY AND ANNOUNCEMENTS

7.1 Public announcements

- (a) The parties agree that immediately after signing this document, the Company must issue a public announcement to the ASX in the form set out in Annexure A.

- (b) Subject to clauses 7.1(a) and 7.2, any other announcement or disclosure of information relating to the subject matter of this document requires the prior written consent of both parties (not to be unreasonably withheld or delayed).

7.2 Public announcements required by law

A party may disclose information relating to this document if required to do so by law or a regulation of a stock exchange or any Government Agency. In such circumstances, the party required to make disclosure must to the extent reasonably practicable:

- (a) provide the other party with as much notice as reasonably possible to enable it to seek a protective order or other remedy;
- (b) provide all assistance and cooperation that the other party considers necessary to minimise that disclosure;
- (c) consult with the other party and its legal advisers as to the extent of disclosure required; and
- (d) only disclose the minimum amount of information required by the disclosure obligation.

8. GENERAL PROVISIONS

8.1 Account

Any payment required to be made by the Subscriber under this Agreement must be made to the following bank account unless otherwise notified by the Company:

Name of account holder: Spenda Limited

Bank name: ANZ

BSB: [REDACTED]

Account number: [REDACTED]

8.2 Costs

Unless this Agreement provides otherwise, each party must pay its own costs in relation to:

- (a) the negotiation, preparation, execution, performance, amendment or registration of, or any consent given or made under; and
- (b) the performance of any action by that party in compliance with any liability arising under,

this Agreement, or any agreement or document executed or effected under this Agreement.

8.3 Assignment

A party must not assign or transfer any right or obligation under this Agreement without the prior written consent of the other party.

8.4 Notices

- (a) A notice, consent, approval or other communication (each a **Notice**) under this Agreement must be signed on or on behalf of the party giving it, addressed to the party to whom it is to be given and delivered, posted by pre-paid priority mail or emailed to the other party's address.
- (b) A party may vary its Notice contact details by sending a Notice to the other party.
- (c) A Notice given to a party is deemed to have been received:
- (i) if delivered to a party's address, on the day of delivery if a Business Day, otherwise on the next following Business Day;
 - (ii) if posted by pre-paid priority mail, on the third Business Day after posting; and
 - (iii) if transmitted by email, if a delivery confirmation report is received by the sender stating that the email was delivered or if the sender does not receive any message advising the sent email was undeliverable or had failed.
- (d) For the purposes of this clause 8.4, the Notice contact details of the parties as at the Execution Date are as follows:
- (i) the Company:

Address: Unit 605, 275 Alfred Street, North Sydney NSW 2060
Attention: Adrian Floate
Email: adrian.floate@spenda.co
 - (ii) the Subscriber:

Address: 28 Troode Street, West Perth WA 6005
Attention: Bradley Gannon
Email: bradley.gannon@capricorn.coop

8.5 Governing law and jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of Western Australia and the parties submit to the non-exclusive jurisdiction of the Western Australian Courts for all matters arising in connection with this Agreement.

8.6 Relationship of parties

This document is not intended to create a partnership, joint venture or agency relationship between the parties.

8.7 Amendments

This Agreement may only be amended or varied by a document signed by the parties.

8.8 Entire agreement

This Agreement constitutes the entire agreement between the parties in relation to its subject matter and supersedes all contracts, arrangements and understandings in relation to that

subject matter.

8.9 No disadvantage

A provision of this Agreement must not be construed to the disadvantage of a party merely because the party was responsible for the preparation of the Agreement or the inclusion of the provision in the Agreement.

8.10 Further assurances

Each party must execute any agreement and perform any action necessary to give full effect to this Agreement, whether before or after performance of this Agreement.

8.11 Waivers

- (a) A power or right may only be waived in writing, signed by the party to be bound by the waiver.
- (b) A waiver by a party of a power or right which it has under this Agreement does not constitute a waiver of any other power or right, nor does it operate as a future waiver of that or any other power or right.
- (c) A party may not claim that another party's delay or failure to exercise a right relating to this Agreement:
 - (i) constitutes a waiver of that right; or
 - (ii) is a defence to its own action or inaction.

8.12 Severability

Any provision of this Agreement which is invalid in any jurisdiction is invalid in that jurisdiction to that extent, without invalidating or affecting the remaining provisions of this Agreement or the validity of that provision in any other jurisdiction.

8.13 Counterparts

This Agreement may be executed in any number of counterparts and exchanged by any means (including by email), and all of those counterparts taken together constitute one and the same instrument.

Executed as an agreement.

EXECUTED by
SPENDA LIMITED
(ACN 099 084 143) in accordance with
section 127 of the Corporations Act:

)
)
)
)

PA [Signature]

[Signature]

Director

Director/Secretary

Peter Richards

Justyn Stedwell

Full Name

Full Name

EXECUTED by
CAPRICORN SOCIETY LIMITED
(ACN 008 347 313) by its authorised
signatory:

)
)
)
)

[Signature]
Authorised Signatory

[Signature]

Witness

David John Fraser

Sarah Dianne Chamberlain

Full Name

Full Name

For personal use only

Annexure A – ASX Announcement

[insert]

For personal use only

Cornerstone investment by Capricorn raises \$7.175m in private placement

Key Terms

- New cornerstone investment by Capricorn, following extensive due diligence
- \$7.175m raised via private placement
- Issue of 592,975,206 shares at an issue price of \$0.0121 per share
- Upon completion, Capricorn will own 13.809% of Spenda's issued share capital

Spenda Limited (**ASX: SPX, "Spenda" or "the Company"**), an innovative software company providing electronic payment solutions across a supply chain or trading networks, is pleased to announce a binding agreement for a new cornerstone investment by Capricorn Society Ltd ("**Capricorn**") raising \$7.175 million via private placement. The Company is now sufficiently funded to achieve its commercial ambitions.

Capricorn has undergone an extensive due diligence process and this cornerstone investment reflects their confidence in Spenda's unique payments software and the Company's earnings potential over time.

Capricorn is a member-based organisation established in 1974 to primarily support businesses in the automotive industry. Its current 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 ~\$270 million per month in parts from the approved Supplier network.

In December, Spenda announced a 10-year Master Services and License Agreement (MSLA) with Capricorn for the provision of software and ecommerce payments infrastructure, following the successful completion of the Foundation Stage of the Digital Services Delivery ("DSD") initiative.



The MSLA lays a foundation for both parties to build further joint initiatives that can improve the digitisation of the automotive industry over a decades long horizon. Capricorn and Spenda have identified an array of opportunities, under this MSLA, each of which will have additional contracted revenue potential. This cornerstone investment ensures that Capricorn and Spenda are aligned in their desire to accelerate Spenda's growth.

Spenda will generate at least \$2m in revenue from software and services in calendar year 2024. Software revenues are expected to significantly exceed the minimum \$100k monthly revenue as Spenda's software is rolled out to Capricorn's 26,000 Members.

Pursuant to the new agreement, the Company will issue 592,975,206 shares at an issue price of \$0.0121 per share representing 13.809% of the Company's issued share capital upon completion of the new share placement. The issue price of \$0.0121 represents a discount of approximately 9.97% to the 15-day VWAP and a discount of approximately 7.7% to the 30-day VWAP. The Company intends to issue the shares on or around 31 January 2024, without prior shareholder approval, utilising all of the Company's current 10% placement capacity and part of the Company's 15% placement capacity, namely 371,018,745 shares under its 10% placement capacity and 221,956,461 shares under its 15% placement capacity.

The proceeds from the placement will be principally used for investment in further product development and general working capital. There was no broker or lead manager to the placement and no capital raising fees were incurred.

In addition, upon completion of the placement:

- (a) Capricorn will have a right to nominate a director to the Spenda Board;
- (b) subject to certain exceptions, Spenda will use reasonable endeavours to allow Capricorn to participate in any future new issues of securities to maintain its interest in Spenda; and
- (c) Capricorn will have matching rights in relation to certain change of control proposals received by the Company.

The agreement also contains additional terms that are considered customary and usual for an agreement of this nature, including certain representations and warranties.

Previously proposed investment terms announced on 17 October 2023, which were subject to Capricorn Board approval by 31 January 2024, were renegotiated.



Bradley Gannon, Chief Executive Officer (Automotive) of Capricorn, said:

“This is a significant and important investment for Capricorn. Our investment reflects the importance of our relationship with Spenda, the long history in which we have worked together and our confidence in the future success of Spenda as it further grows its client base.”

Spenda’s Chief Executive Officer and Managing Director, Adrian Floate, said:

“After 21 years of collaboration and joint technology initiatives we have developed a very close trusted relationship. This investment is built on a solid foundation of past execution and belief in the future potential the Spenda platform represents to Capricorn, its network of members and suppliers and the wider opportunity to enable suppliers to get paid faster. I am delighted to be in business with Capricorn and I am looking forwards to the many things we can do together in the coming years. ”

-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 enablesthe effective and seamlesstransfer 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

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www.spenda.co

Spenda Limited

ASX:SPX

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