

Execution of Share Sale Agreement to acquire Limepay

Key Highlights:

- Spenda has executed a binding Share Sale Agreement to acquire 100% of the issued capital of Limepay for up to \$8m, in an all-scrip transaction.
- Limepay is a B2B SaaS company providing embedded finance services to Australian businesses and comes with a team of banking software professionals that will significantly expand Spenda's product development resources and capability.
- Limepay generated \$2.8m in revenue (unaudited) and a gross profit of \$1.4m (unaudited) in FY24, with a strong pipeline of new customer acquisitions.
- Completion of the acquisition is expected in September 2024.

Spenda Limited (**ASX:SPX**, "**Spenda**" or "**the Company**"), is pleased to announce that it has signed a binding Share Sale Agreement ("**SSA**") to acquire 100% of the issued capital of software development company Limepay Pty Ltd ("**Limepay**"), with an expected completion date on or around 17 September 2024, subject to satisfaction of conditions precedent under the SSA ("**Completion**").

Spenda previously announced the execution of a binding term sheet to acquire Limepay on 16 July 2024 titled "*Spenda announces strategic acquisition of Limepay to accelerate growth trajectory in all-scrip transaction*".

Key terms of the Share Sale Agreement

Under the key terms of the SSA, the Company has agreed to acquire all of the issued shares in Limepay. The consideration for the acquisition is 100% scrip, split across four tranches, with the Company agreeing to issue in aggregate up to a total maximum of 508,272,334 fully paid ordinary shares in the capital of the Company ("**Consideration Shares**") to the shareholders of Limepay ("**Vendors**") subject to the following terms:





1. On the Completion date, consideration in the form of 204,958,678 Spenda Shares (being shares to the value of \$2,480,000, based on a deemed issue price of \$0.0121 each).
2. An entitlement to deferred consideration shares up to a total of 303,313,656 shares (being shares to the value of \$5,520,000, based on deemed issue prices as detailed below:
 - a. **Tranche 2:** on or before 31 December 2024 (which may be extended for up to 6 months or longer in the event of processing delays), upon Limepay receiving its anticipated R&D Refund from the Australian Taxation Office in cleared funds - within 5 Business Days the Company will issue to the Vendors (or their nominees) up to 59,504,132 Spenda shares (being shares to the value of \$720,000, based on a deemed issue price of \$0.0121);
 - b. **Tranche 3:** on or before the first anniversary of the Completion date, upon Limepay achieving the recording of three (3) month revenue of at least \$1,200,000 for three (3) consecutive calendar months - within 5 Business Days the Company will issue to the Vendors (or their nominees) a number of Spenda shares that is equal to the sum of \$2,400,000 at an issue price of the greater of \$0.0175 or a 10% discount to the 90 day VWAP; and
 - c. **Tranche 4:** on or before the second anniversary of the Completion date, upon Limepay achieving the recording of three (3) month revenue of at least \$1,800,000 for three (3) consecutive calendar months - within 5 Business Days the Company will issue to the Vendors (or their nominees) a number of Spenda shares that is equal to the sum of \$2,400,000 at an issue price of the greater of \$0.0225 or a 10% discount to the 90 day VWAP.

All consideration shares will be issued subject to shareholder approval for the purpose of ASX listing rule 7.1.

In the event Limepay are unable to comply with maintaining a positive working capital balance at Completion the Company may at its absolute discretion elect to adjust the Tranche 2 consideration payable to the Vendors according to the following calculation:

$$(\$720,000 - \text{WCD}) / \$0.0121 = \text{No. Spenda Shares}$$

(Where WCD = working capital deficit)

Further, consideration shares will be held in voluntary escrow as set out below:

1. **Initial consideration shares and Tranche 2 shares:** 100% of the Spenda shares issued to the Vendors will be subject to voluntary escrow during the period commencing on the Completion date and expiring at 5.00pm on the first-year anniversary of the Completion date; and
2. **Tranche 3 and Tranche 4 shares:** 50% of the Spenda shares issued will be subject to voluntary escrow during the period commencing on the date of their issue and expiring at 5.00pm on the first-year anniversary of their issue.





Completion of the acquisition is subject to and conditional on the satisfaction of various conditions, which include:

1. no material adverse condition having occurred or arisen in relation to Limepay;
2. each of the key Limepay employees entering into new employment agreements with the Company or an entity designated by it;
3. all necessary ASX approvals, regulatory, shareholder and other approvals being obtained in connection with the transaction such that all required shareholder approvals have been obtained for the issue of the Consideration Shares;
4. demonstration to the Company's reasonable satisfaction that Limepay has cleared all, and as at the Completion date will have no, outstanding liabilities owing to Limepay directors, including in respect of director's loans, director's expenses, director's funding interest payments due and unpaid salaries.

Either Party may terminate the SSA by giving not less than two Business Days' notice to the other relevant Party if:

1. the conditions are not satisfied, or validly waived by all parties who have the benefit of the conditions by 17 September 2024 (or such later date as is agreed); or
2. a condition is or becomes incapable of being satisfied; or
3. a condition, having been satisfied, does not remain satisfied in all respects at all times before Completion.

ENDS



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About Limepay

Limepay, established in 2019, is trusted by over 200 businesses to provide payment process and embedded finance services. Limepay provides a robust and scalable cloud-based platform comprising a portfolio of software tools to enable corporates and financial institutions to provide white-labeled embedded finance solutions to their customers. These include a suite of leading payment technologies to fuel business growth, encompassing payment acceptance, instalment options, lending, working capital, marketplace solutions and SaaS offerings.

Limepay Pty Ltd rebranded in 2022 and trades as April Solutions.

About Spenda

Spenda Limited (ASX:SPX) is an integrated business platform that enables businesses across the supply chain to sell better and get paid faster. Spenda is both a software solutions provider and a payment processor, delivering the essential infrastructure to streamline processes before, during and after the payment event.

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 combines five vendors into one solution with end-to-end software integration as well as ledger-to-ledger integration to improve operational efficiency for all trading parties in the supply chain.

Spenda captures transactions and payments through the value chain, generating layered revenue streams from SaaS, both B2B and B2C payments and B2B supply chain finance. 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://spenda.co/investor-centre/>

This announcement has been authorised by the Managing Director.

Investor Enquiries

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