

**Spenda Limited**  
**ABN 67 099 084 143**

**Notice of General Meeting**

Notice is hereby given that a General Meeting of Spenda Limited ACN 099 084 143 will be held at Karstens Sydney, Level 1, 111 Harrington Street, The Rocks, Sydney, 2000 on 17 September 2024 at 11:00am AEST.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

This Notice is given based on circumstances at 14 August 2024. Should circumstances change, the Company will make an announcement on the ASX market announcements platform (ASX code: SPX) and on the Company's website at <https://investors.spenda.co>. Shareholders are urged to monitor the ASX announcements platform and the Company's website for any updates.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 5:00PM AEST on 15 September 2024.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

**Voting**

The business of the Meeting affects your Shareholding and your vote is important.

**Voting in person**

To vote in person, attend the Meeting on the date and at the place set out above.

**Voting by proxy**

To vote by proxy, please use one of the following methods:

<b>Online</b>	Lodge the Proxy Form online at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.
<b>By post</b>	Automic, GPO Box 5193, Sydney NSW 2001
<b>By hand</b>	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
<b>By email</b>	Completing the enclosed Proxy Form and emailing it to: <a href="mailto:meetings@automicgroup.com.au">meetings@automicgroup.com.au</a>

For personal use only

Your Proxy instruction must be received no later than 11:00am (AEST) on 15 September 2024, being at least 48 hours before the commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**

**Power of Attorney**

If the Proxy Form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the Proxy Form, unless the power of attorney has already provided it to the Share Registry.

**Corporate Representatives**

If a representative of a corporate Shareholder or a corporate proxy will be attending the Meeting, the representative should provide the Share Registry with adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

**Agenda for the Meeting**

**Resolution 1 – Ratification of Prior Issue of Placement Shares under ASX Listing Rule 7.1**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 221,956,461 Placement Shares issued on 31 January 2024 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 1 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## Resolution 2 – Ratification of Prior Issue of Placement Shares under ASX Listing Rule 7.1A

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 371,018,745 Placement Shares issued on 31 January 2024 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 2 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## Resolution 3 – Approval of Issue of Shares and Options to Adrian Floate, Director of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue and allotment of 4,500,000 Shares and 52,265,625 Options Adrian Floate, a Director (or his nominee) on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Adrian Floate and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, the Company need not disregard a vote cast in favour of this Resolution 3 if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution 3, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary.

## Resolution 4 – Approval of Issue of Options to, Andrew Kearnan, Director of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue and allotment of 10,000,000 Options to Andrew Kearnan, a Director (or his nominee) on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution 4 by or on behalf of Andrew Kearnan and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, the Company need not disregard a vote cast in favour of this Resolution 4 if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary.

## Resolution 5 – Approval of Issue of Initial Consideration Shares for the Acquisition of Limepay Pty Ltd

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue a maximum of 204,958,678 Shares as initial consideration for the Transaction, and otherwise on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of Resolution 5 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## Resolution 6 – Approval of Issue of Deferred Consideration Shares for the Acquisition of Limepay Pty Ltd

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue a maximum of 303,313,656 Shares, in three separate tranches, as part consideration for the Transaction, subject to the satisfaction of the Milestones, and otherwise on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of Resolution 6 by:

- (iv) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (v) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (vi) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

If you have any questions in regard to this Notice, please contact the Company Secretary at [investors@spenda.co](mailto:investors@spenda.co).

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at a General Meeting of Spenda Limited to be held at Karstens Sydney, Level 1, 111 Harrington Street, The Rocks, Sydney, 2000 on 17 September 2024 at 11:00am AEST.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the General Meeting are set out below.

### Resolutions

#### **1. Resolutions 1 and 2 – Ratification of Prior Issue of Placement Shares under ASX Listing Rule 7.1 (Resolution 1) and ASX Listing Rule 7.1A (Resolution 2)**

##### **1.1 Background to the Placement**

On 29 January 2024 the Company announced a placement of 592,975,206 Shares ("Placement Shares") to Capricorn Society Ltd ("Capricorn") raising \$7.175 million ("Placement").

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 2023, 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.

Capricorn undertook an extensive due diligence process for the Placement and this cornerstone investment reflected their confidence in Spenda's unique payments software and the Company's earnings potential over time.

The Company issued the Placement Shares at an issue price of \$0.0121 per Share representing 13.75% of the Company's issued share capital upon completion of the Placement. The issue price of \$0.0121 represented a discount of approximately 9.97% to the 15-day VWAP and a discount of approximately 7.7% to the 30-day VWAP prior to the date of the announcement of the Placement (29 January 2024). The Placement Shares were issued without prior shareholder approval, utilising all the Company's 10% placement capacity and part of the Company's 15% placement capacity, namely 371,018,745 Placement Shares under its 10% placement capacity and 221,956,461 Placement Shares under its 15% placement capacity.

There was no broker or lead manager to the placement and no capital raising fees were incurred.

Resolution 1 seeks the approval of Shareholders to ratify the issue of 221,956,461 Placement Shares issued pursuant to Listing Rule 7.1 for the purpose of ASX Listing Rule 7.4 and all other purposes.

Resolution 2 seeks the approval of Shareholders to ratify the issue of 371,018,745 Placement Shares issued pursuant to Listing Rule 7.1A for the purpose of ASX Listing Rule 7.4 and all other purposes.

## **1.2 Listing Rules 7.1, 7.1A and 7.4**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. At the Company's Annual General Meeting held on 3 November 2023 the Company sought and obtained approval of its Shareholders under ASX Listing Rule 7.1A to increase this 15% limit by an extra 10% to 25%.

The issue of the Placement Shares does not fit within any of the exceptions to Listing Rules 7.1 and, as it has not yet been approved by Shareholders, effectively uses up the Company's placement capacities under Listing Rules 7.1 and 7.1A. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rules 7.1 and 7.1A for the 12-month period following the issue of the Placement Shares.

Listing Rule 7.4 provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 or 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 or 7.1A), those Equity Securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1 or 7.1A.

The effect of Shareholders passing Resolutions 1 and 2 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% and 10% placement capacity set out in Listing Rules 7.1 and 7.1A respectively without the requirement to obtain prior Shareholder approval.

If Resolution 1 is passed, 221,956,461 Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 1 is not passed, 221,956,461 Placement Shares will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 221,956,461 Equity Securities for the 12-month period following the issue of those Placement Shares.

If Resolution 2 is passed, 371,018,745 Placement Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 2 is not passed, 371,018,745 Placement Shares will continue to be included in the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 371,018,745 Equity Securities for the 12-month period following the issue of those Placement Shares.

The Company confirms that Listing Rule 7.1 or 7.1A was not breached at the time the Placement Shares were issued.

### 1.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- The Placement Shares were issued to Capricorn Society Ltd whom was not a related party of the Company or a Material Investor at the time of agreement to issue the Placement Shares. Following the issue of the Placement Shares Capricorn became a substantial shareholder of the Company holding 14.43% of the Company's share capital.
- A total of 221,956,461 Placement Shares were issued using the Company's available placement capacity under Listing Rule 7.1 (Resolution 1). A total of 371,018,745 Placement Shares were issued using the Company's available placement capacity under Listing Rule 7.1A (Resolution 2).
- The Placement Shares are fully paid and rank equally in all respects with the Company's existing Shares on issue.
- The Placement Shares were issued on 31 January 2024 at an issue price of \$0.0121 each.
- The proceeds from the issue of the Placement Shares have been or are intended to be used towards investment in product development and general working capital.

### 1.4 Additional information

Resolution 1 and Resolution 2 are ordinary resolutions.

The Board recommends that Shareholders vote in favour of Resolutions 1 and 2.

## 2. Resolution 3 – Approval of Issue of 4,500,000 Shares and 52,265,625 Options to Adrian Floate, Director of the Company

### 2.1. Background

The Company proposes to issue 4,500,000 Shares and 52,265,625 Options to the Company's Managing Director, Adrian Floate, and/or his nominees. The Options will be exercisable at \$0.0175 (1.75 cents) per Option expire 30 September 2027.

As part of Mr. Floate's incentive-based remuneration for the prior and current financial year, it is proposed that Mr. Floate be issued 4,500,000 Shares and 52,265,625 Options, the Options will be exercisable at \$0.0175 per Option and expire 30 September 2027. The exercise price for the 52,265,625 Options of \$0.0175 is a 94.44% premium to the current market price at the time of preparing this Notice (\$0.009 as at 9 August 2024). For Mr. Floate to receive any benefit from the exercise of these Options, the Company's share price (\$0.009 as at 9 August 2024) must increase by more than 99.44%.

The issue of options and/or shares to directors and executives as a form of incentive-based remuneration is common practice in listed companies and further encourages and rewards efforts by directors and executives to improve the performance of the company to the commercial benefit of all shareholders. It further aligns with interests of the executive/director with shareholders and allows the Company to remunerate, attract and retain experienced and qualified executives and directors in a competitive labour market.

The Shares and Options are intended to provide remuneration that is linked to the performance of the Company in the future. The benefit would only be received from the Options upon the Share price exceeding the exercise price of the Options and thereby warranting their exercise before they are lapsed.

Under the Company's current circumstances, the Board (with Mr. Floate abstaining) consider that the incentive-based remuneration noted above, represented by the issue of the 4,500,000 Shares



and 52,265,625 Options, is a cost effective and efficient reward and incentive to provide, as opposed to the payment of cash compensation only.

In addition, the Options may provide the Company with additional funding (if the Options are exercised).

Accordingly, this Resolution seeks the required Shareholder approval to issue 4,500,000 Shares and 52,265,625 Options to Adrian Floate and/or his nominee under and for the purposes of ASX Listing Rule 10.11.

## **2.2. Listing Rule 10.11**

ASX Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company, as a listed company, must not issue equity securities to persons in a position of influence without Shareholder approval.

A person in a position of influence for the purposes of Listing Rule 10.11 includes:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue of agreement, a substantial (30%+) holder in the Company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to the board of the Company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an Associate of a person referred to in (a) to (c) above; and
- (e) a person whose relationship with the Company or a person referred to in (a) to (d) above is such that, in the ASX's opinion, the issue or agreement should be approved by Shareholders.

As Adrian Floate is a Director, he is a person in a position of influence for the purposes of Listing Rule 10.11. The proposed issue does not fall within any of the exceptions in Listing Rule 10.12, and therefore requires the approval of Shareholders under Listing Rule 10.11.

To this end, this Resolution seeks the required Shareholder approval to issue 4,500,000 Shares and 52,265,625 Options to Adrian Floate under and for the purposes of Listing Rule 10.11.

If approval is obtained under Listing Rule 10.11, in accordance with Listing Rule 7.2 (exception 14), separate approval is not required under Listing Rule 7.1. Accordingly, the issue of the 4,500,000 Shares and 52,265,625 Options the subject of this Resolution will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

## **2.3. information required by ASX Listing Rule 14.1A**

If this Resolution is passed, the Company will be able to proceed with the proposed issue of Shares and Options to Mr. Floate.

If this Resolution is not passed, the Company will not be able to proceed with the proposed issue of the Options and Shares to Mr. Floate and will then be required to renegotiate with Mr. Floate such other reasonable remuneration as may be applicable in substitution of these Options and Shares, which may include the payment of additional cash amounts, reducing the Company's cash reserves.

## **2.4. Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provisions; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

The proposed issue of 4,500,000 Shares and 52,265,625 Options (which is a type of equity security, for the purposes of Chapter 2E of the Corporations Act) constitutes the giving of a financial benefit.

A “related party” for the purposes of the Corporations Act and the Listing Rules is widely defined and includes a director of a public company, a spouse of a director of a public company or an entity controlled by a director of a public company. The definition of “related party” also includes a person whom there is reasonable grounds to believe will become a “related party” of a public company.

The Board (other than Adrian Floate who has a material personal interest in the Resolution) carefully considered the issue of these 4,500,000 Shares and 52,265,625 Options and formed the view that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Shares and Options to Adrian Floate and/or his nominee because they form part of Mr. Floate’s remuneration as an executive and officer of the Company and the remuneration is reasonable given Mr. Floate’s circumstances and the circumstances of the Company.

Accordingly, approval will not be sought under Chapter 2E for the issue of the 4,500,000 Shares and 52,265,625 Options to Adrian Floate as the issue of the securities constitute ‘reasonable remuneration’ in accordance with section 211 of the Corporations Act.

## 2.5. Information required by ASX Listing Rule 10.13

The following information in relation to the issue of the 4,500,000 Shares and 52,265,625 Options to Adrian Floate is provided to Shareholders for the purposes of ASX Listing Rule 10.13:

- (a) The allottee is Adrian Floate or his nominee.
- (b) Adrian Floate falls under Listing Rule 10.11.1 as a related party because he is a Director.
- (c) The maximum number of securities to be issued to Mr. Floate is 4,500,000 Shares and 52,265,625 Options.
- (d) Each Option will entitle the holder to subscribe for one Share. Options will be exercisable \$0.0175 per Option and expire 30 September 2027. The 52,265,625 Options will be unlisted and otherwise be issued on the terms and conditions set out in 'Annexure A' of this Notice.  
The 4,500,000 Shares are ordinary fully paid shares in the capital of the Company and will rank equally in all respects with the Company’s existing Shares (ASX:SPX).
- (e) The securities the subject of this Resolution will be issued within 1 month from the date of the Meeting.
- (f) The 4,500,000 Shares and 52,265,625 Options will be offered for nil cash consideration.
- (g) The estimated value of the Shares and Options (Options value based on the Black Scholes methodology) as at 9 August 2024 is set out in the below table:

Security	Quantity	Value per security	Total value
Shares	4,500,000	\$0.009	\$40,500
Options with an exercise price of \$0.0175 each	52,265,625	\$0.0049	\$256,101
<b>Total</b>			<b>\$296,601</b>

Funds will not be raised from the issue of Shares and Options as the issue is proposed to be made for nil cash consideration. Should the Options be exercised up to \$914,648 will be raised, funds raised may be used by the Company for working capital and product development, however, the use of funds will depend on the circumstances of the Company at the time of exercise and will be determined at such time by the Board.

A summary of Mr. Floate remuneration for the 2022 financial year and 2023 financial year is set out on pages 28 and 29 of the Company's 2023 Annual Report. His current remuneration base salary per year is \$375,000 plus superannuation. In addition, short-term and long-term incentive-based remuneration that includes cash and equity components (including the securities the subject of this Resolution) will be determined by the Board. Any equity-based remuneration is subject to Shareholder approval.

## **2.6. Directors' recommendation**

The Directors (Adrian Floate abstaining) recommend that Shareholders vote in favour of this Resolution.

## **3. Resolution 4 – Approval of Issue of Options to, Andrew Kearnan, Director of the Company**

### **3.1 Background**

The Company proposes to issue 10,000,000 Options to Non-Executive Director, Andrew Kearnan, and/or his nominee (**AK Options**). The 10,000,000 Options will be exercisable at \$0.0175 per Option and expire 15 June 2027 and will be issued (subject to shareholder approval) as a form of incentive-based remuneration.

The issue of options to directors as a form of incentive-based remuneration is common practice in listed companies and further encourages and rewards efforts by directors and executives to improve the performance of the company to the commercial benefit of all shareholders. It further aligns with interests of the director with shareholders and allows the Company to remunerate, attract and retain experienced and qualified directors in a competitive labour market.

The AK Options are intended to provide remuneration that is linked to the performance of the Company in the future. The benefit would only be received from the Options upon the Share price exceeding the exercise price of the Options and thereby warranting their exercise before they are lapsed.

The exercise price for the AK Options of \$0.0175 is a 94.44% premium to the current market price at the time of preparing the Notice (\$0.009 as at 9 August 2024). For Mr. Kearnan to receive any benefit from the exercise of these AK Options, the Company's share price (\$0.009 as at 9 August 2024) must increase by at least 94.44%.

Under the Company's current circumstances, the Board (with Mr. Kearnan abstaining) consider that the incentive-based remuneration noted above, represented by the issue of the AK Options, is a cost effective and efficient form of remuneration and incentive to provide, as opposed to the payment of cash compensation only.

In addition, the Options may provide the Company with additional funding (if the Options are exercised).

Accordingly, this Resolution seeks the required Shareholder approval to issue 10,000,000 Options to Andrew Kearnan and/or his nominee under and for the purposes of ASX Listing Rule 10.11.

### **3.2 Listing Rule 10.11**

ASX Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company, as a listed company, must not issue equity securities to persons in a position of influence without Shareholder approval.

A person in a position of influence for the purposes of Listing Rule 10.11 includes:

- a related party;
- a person who is, or was at any time in the 6 months before the issue of agreement, a substantial (30%+) holder in the Company;
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to the board of the Company pursuant to a relevant agreement which gives them a right or expectation to do so;
- an Associate of a person referred to in (a) to (c) above; and
- a person whose relationship with the Company or a person referred to in (a) to (d) above is such that, in the ASX's opinion, the issue or agreement should be approved by Shareholders.

As Andrew Kearnan is a Director, he is a person in a position of influence for the purposes of Listing Rule 10.11. The proposed issue does not fall within any of the exceptions in Listing Rule 10.12, and therefore requires the approval of Shareholders under Listing Rule 10.11.

To this end, this Resolution seeks the required Shareholder approval to issue the AK Options to Andrew Kearnan under and for the purposes of Listing Rule 10.11.

If approval is obtained under Listing Rule 10.11, in accordance with Listing Rule 7.2 (exception 14), separate approval is not required under Listing Rule 7.1. Accordingly, the issue of the 10,000,000 Options the subject of this Resolution will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

### **3.3 Information required by ASX Listing Rule 14.1A**

If this Resolution is passed, the Company will be able to proceed with the proposed issue of AK Options to Andrew Kearnan.

If this Resolution is not passed, the Company will not be able to proceed with the proposed issue of the Options to Mr. Kearnan and will then be required to renegotiate with Mr. Kearnan such other reasonable remuneration as may be applicable in substitution of these Options.

### **3.4 Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- the giving of the financial benefit falls within one of the exceptions to the provisions; or
- Shareholder approval is obtained prior to the giving of the financial benefit.

The proposed issue of Options (which is a type of equity security, for the purposes of Chapter 2E of the Corporations Act) constitutes the giving of a financial benefit.

A “related party” for the purposes of the Corporations Act and the Listing Rules is widely defined and includes a director of a public company, a spouse of a director of a public company or an entity controlled by a director of a public company. The definition of “related party” also includes a person whom there is reasonable grounds to believe will become a “related party” of a public company.

The Board (other than Andrew Kearnan who has a material personal interest in the Resolution) carefully considered the issue of the AK Options and formed the view that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of AK Options to Andrew Kearnan and/or his nominee because they form part of Mr. Kearnan’s remuneration as an officer of the Company and the remuneration is reasonable given Mr. Kearnan’s circumstances and the circumstances of the Company.

Accordingly, approval will not be sought under Chapter 2E for the issue of the 10,000,000 Options to Andrew Kearnan as the issue of the securities constitute ‘reasonable remuneration’ in accordance with section 211 of the Corporations Act.

### **3.5 Information required by ASX Listing Rule 10.13**

The following information in relation to the issue of the AK Options to Andrew Kearnan is provided to Shareholders for the purposes of ASX Listing Rule 10.13:

- a) The allottee is Andrew Kearnan or his nominee.
- b) Andrew Kearnan falls under Listing Rule 10.11.1 as a related party because he is a Director.
- c) The maximum number of securities to be issued to Mr. Kearnan is 10,000,000 Options.
- d) Each Option will entitle the holder to subscribe for one Share. The Options will be exercisable at \$0.0175 per Option and expire 15 June 2027.
- e) The AK Options will be unlisted, expire 15 June 2027, and will otherwise be issued on the terms and conditions set out in 'Annexure A' of this Notice.
- f) The AK Options the subject of this Resolution will be issued within 1 month from the date of the Meeting.
- g) The estimated value of the AK Options (Options value based on the Black Scholes methodology) as at 9 August 2024 set out in the below table:

<b>Security</b>	<b>Quantity</b>	<b>Value per security</b>	<b>Total value</b>
Options with an exercise price of \$0.0175 each	10,000,000	\$0.0048	\$48,000

Funds will not be raised from the issue of Options as the issue is proposed to be made for nil cash consideration. Should the Options be exercised up to \$175,000 will be raised, funds raised may be used by the Company for working capital and product development, however, the use of funds will depend on the circumstances of the Company at the time of exercise and will be determined at such time by the Board.

Mr Kearnan was appointed a director on 29 May 2024. His current remuneration base salary for the year is \$60,000 plus superannuation. In addition, incentive-based remuneration that includes equity components (which are the securities the subject of this Resolution) will be determined by the Board from time to time. Any equity-based remuneration is subject to Shareholder approval.

### 3.6 Directors' recommendation

The Directors (Andrew Kearnan abstaining) recommend that Shareholders vote in favour of this Resolution.

## 4. Resolution 5 – Approval of Issue of Initial Consideration Shares for the Acquisition of Limepay Pty Ltd

### 4.1 Background

The Company has entered into a binding but conditional agreement (**Binding Agreement**) to acquire the 100% issued share capital in an Australian private company (**Sale Shares**), Limepay Pty Ltd (**Limepay**), a payment processing and embedded finance service provider (**Transaction**).

Under the Binding Agreement, the Company agreed to pay, issue or grant the vendors of Limepay or their nominee(s) (in proportion with their respective holdings of the Sale Shares as at the date of this Notice) the following consideration:

#### Initial Consideration Shares:

Spenda will pay \$2.48m through the issue of 204,958,678 Shares at an issue price of \$0.0121 upon acquisition completion. Acquisition completion is expected to occur in September 2024;

#### Deferred Consideration Shares:

**Tranche 2 Deferred Consideration Shares:** Spenda will pay up to \$0.72m through the issue of up to 59,504,132 Shares at an issue price of \$0.0121, upon Limepay receiving its FY24 R&D refund of circa \$0.72m which is expected by December 2024;

**Tranche 3 Deferred Consideration Shares:** Spenda will pay \$2.4m, through the issue of Shares at an issue price of the greater of \$0.0175 or a 10% discount to the 90-day VWAP of Shares, upon Limepay achieving 3-month revenue of at least \$1.2 million in any consecutive 3 month period within 1 year from the date of acquisition; and

**Tranche 4 Deferred Consideration Shares:** Spenda will pay \$2.4m, through the issue of Shares at an issue price of the greater of \$0.0225 or a 10% discount to the 90-day VWAP of Shares, upon Limepay achieving 3-month revenue of at least \$1.8 million in any consecutive 3 month period within 2 years from the date of acquisition.

The achievement of the Tranche 3 Milestone will be verified by the Company's auditor prior to the issue of Tranche 3 Deferred Consideration Shares. The achievement of the Tranche 4 Milestone will be verified by the Company's auditor prior to the issue of Tranche 4 Deferred Consideration Shares. For the purposes of calculating Tranche 3 and Tranche 4 Milestones, one-off extraordinary revenue items, revenue received in the form of government grants, allowances, rebates or other hand-outs or revenue that has been manufactured to achieve the performance milestone will be excluded.

In the event Limepay does not maintain a positive working capital balance at the date of acquisition 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)

## Overview of 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's technology has been developed in-house, with all Intellectual Property (IP) and copyright over the platform. The team of eight experienced fintech developers have extensive experience in the payments technology space, providing a valuable upskilled resource pool to complement Spenda's development team.

In FY24, Limepay generated \$2.8m in revenue (unaudited) and a gross profit of \$1.4m (unaudited).

Limepay has a robust pipeline of enterprise level clients at various stages in the sales cycle, that are expected to contract to use Limepay's products, as well as take up Spenda's products suite. As such, the Company has linked Tranche 3 and 4 of the Deferred Consideration Shares to specific revenue milestones based on Limepay's internal company forecasts, detailed below.

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

## Acquisition Strategy & Rationale

The acquisition of Limepay will enable Spenda to accelerate its current projects, expand its product suite, and enter new verticals with immediate deployment and revenue generating opportunities.

The acquisition of specific payments IP that is commercial and has no deployment risk is expected to deliver an immediate benefit for Spenda's existing customers, enabling them to readily deploy in market solutions that provide whole of business end to end payment solutions and services.

Both businesses have identified immediate revenue generating opportunities in each business' customer requirements that will allow the merged business to maximise the payment and software revenue wallet share. This will enable Spenda to leverage the merged business' revenue generating capabilities and provide economies of scale benefits in improved operating margin.

Limepay's Card Not Present ("CNP") as-a-service solution and their ability to deliver Platform on Record services to customers is in strong demand.

With growth expected through efficiency and integrated capabilities, the focus of the combined group will rationalise the roadmap enabling us to bring products to market faster and accelerate revenue from existing contracted key customer networks.

Limepay's experienced team of financial and payments technology developers will significantly expand Spenda's product development resources and capability. The integration of the Limepay team with the Spenda team in the overall development team will provide an immediate resource and product release cycle benefit, whilst also removing payments and product capability bottlenecks within the current resource pool, bolstering the overall capabilities of the combined team, enhancing our East Coast presence and providing continuity in services to existing customers.

The merged software suite will enable the Company to better compete in the digital payments segment with a much more robust product suite with an almost end to end service offering.

#### **4.2 ASX Listing Rule 7.1**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

An issue of Equity Securities that is approved by the Company's Shareholders under Listing Rule 7.1 will not use up the Company's 15% limit and therefore does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, this Resolution seeks Shareholder approval to approve the issue of the Initial Consideration Shares under and for the purposes of Listing Rule 7.1.

#### **4.3 Information required by ASX Listing Rule 14.1A**

If this Resolution 5 is passed, the issue of the Initial Consideration Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 to issue Equity Securities without Shareholder approval over the 12 month period following the date on which the Shares are issued.

If this Resolution 5 is not passed, the Company will need to utilize its existing 15% placement capacity to issue the Initial Consideration Shares (if such capacity exists as at the date of the Meeting) or re-negotiate terms with the Limepay vendors or not proceed with the Transaction.

#### **4.4 Information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 5:

The Initial Consideration Shares will be issued to vendors of Limepay or their nominee(s) in proportion with their respective holdings of the Sale Shares as at the date of this Notice.



In accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that:

- i. none of the recipients are related parties of the Company, members of the Company's key management personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
- ii. it is anticipated the recipients will be issued more than 1% of the issued capital of the Company. The dilutionary impact of the issue of Initial Consideration Shares and the Deferred Consideration Shares is set out in Annexure B.

The maximum number of Initial Consideration Shares to be issued is 204,958,678 Shares.

The Initial Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Initial Consideration Shares will be held in voluntary escrow for a period of 12 months from the date of issue.

The Initial Consideration Shares will be issued at a deemed issue price of \$0.0121 per share as consideration for the acquisition of the Sale Shares;

The Initial Consideration Shares are being issued for the acquisition of Limepay.

The Initial Consideration Shares are being issued to the vendors of Limepay or their nominee(s) under the Binding Agreement. A summary of the material terms of the Binding Agreement is set out in Annexure C; and

The Initial Consideration Shares are not being issued under, or to fund, a reverse takeover.

#### **4.5 Dilution**

Annexure B sets out worked examples of the number of Initial Consideration Shares to be issued under this Resolution 5 and the number of Deferred Consideration Shares that may be issued under Resolution 6 based on the floor price for Tranche 3 Deferred Consideration Shares (\$0.0175) and an issue price which is 50% higher (\$0.0265) and a price which is 100% higher (\$0.035) and based on the floor price for Tranche 4 Deferred Consideration Shares (\$0.0225) and an issue price which is 50% higher (\$0.03375) and an issue price which is 100% higher (\$0.045).

#### **4.6 Directors' recommendation**

The Directors recommend that Shareholders vote in favour of this Resolution.

## **5. Resolution 6 – Approval of Issue of Deferred Consideration Shares for the Acquisition of Limepay Pty Ltd**

### **5.1 Background**

Please see background information on the acquisition of Limepay in section 5.1 above.

Resolution 6 seeks shareholder approval of the future issue of the three separate tranches of Deferred Consideration Shares for the purpose of ASX Listing Rule 7.1.

## 5.2 ASX Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

An issue of Equity Securities that is approved by the Company's Shareholders under Listing Rule 7.1 will not use up the Company's 15% limit and therefore does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, this Resolution seeks Shareholder approval to approve the issue of the Milestone Shares under and for the purposes of Listing Rule 7.1.

## 5.3 Information required by ASX Listing Rule 14.1A

If this Resolution 6 is passed, the issue of the Deferred Consideration Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 to issue Equity Securities without Shareholder approval over the 12 month period following the date on which the Shares are issued.

If this Resolution 6 is not passed, the issue of the Deferred Consideration Shares will not proceed pursuant to this Resolution and the Company will need to re-negotiate deferred consideration terms with the Limepay vendors which may result in the Company paying the equivalent value at the time of achieving each milestone (if this occurs) in cash or seeking subsequent shareholder approval for the Deferred Consideration Shares to be issued after the achievement of the specified milestones.

## 5.4 Waiver from the requirements of Listing Rule 7.3.4

Listing Rule 7.3.4 requires a notice of meeting with a resolution to approve the issue of equity securities to state that the securities will be issued within 3 months of the date of the shareholder's meeting. The Company has obtained a waiver from the ASX to the extent necessary to permit the Company to not state in this Notice that the Tranche 3 Deferred Consideration Shares and Tranche 4 Consideration Shares will be issued within 3 months of the date of the Meeting, subject to the following conditions:

- (a) the milestones attaching to the Tranche 3 and Tranche 4 Deferred Consideration Shares (**Tranche 3 and 4 Milestones**) must not be varied;
- (b) the Tranche 3 Deferred Consideration Shares are issued no later than 15 months from the date of completion of the Transaction and are only issued on the achievement of the Tranche 3 Milestones;
- (c) the Tranche 4 Deferred Consideration Shares are issued no later than 27 months from the date of completion of the Transaction and are only issued on the achievement of the Tranche 4 Milestones;

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- (d) the relevant terms and conditions of the Tranche 3 and Tranche 4 Deferred Consideration Shares are fully and clearly set out in the Notice to ASX's satisfaction;
  - (e) details regarding the dilutionary effect of the Tranche 3 and Tranche 4 Deferred Consideration Shares on the Company's capital structure is included in the Notice to ASX's satisfaction;
  - (f) the terms of the waiver are clearly disclosed in the Notice to ASX's satisfaction;
  - (g) the maximum number of total Tranche 3 Deferred Consideration Shares to be issued is capped at 137,142,857;
  - (h) the maximum number of total Tranche 4 Deferred Consideration Shares to be issued is capped at 106,666,667;
  - (i) The achievement of Tranche 3 Milestone will be verified by the Company's auditor prior to the issue of Tranche 3 Consideration Shares.
  - (j) The achievement of Tranche 4 Milestone will be verified by the Company auditor prior to the issue of Tranche 4 Consideration Shares.
  - (k) if the Tranche 3 Milestones or Tranche 4 Milestones are achieved, the achievement of that Milestone and the basis on which the Company's directors determined that the Milestone has been achieved is announced to the market, along with the number of Milestone Shares to be issued; and
  - (l) for any annual reporting period during which the Milestone Shares are issued or any of them remain to be issued, the Company's annual report sets out in detail the number of Milestone Shares issued during the reporting period, the number that remains to be issued and the basis on which they may be issued.

#### **5.4 Information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (b) the Deferred Consideration Shares will be issued to vendors of Limepay or their nominee(s), in proportion with their respective holdings of the Sale Shares as at the date of this Notice.
- (c) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that:
  - i. none of the recipients are related parties of the Company, members of the Company's key management personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - ii. it is anticipated the recipients will be issued more than 1% of the issued capital of the Company, however the percentage will depend on the number of Shares on issue if and when the Deferred Consideration Shares are issued. The dilutionary impact of the issue of Deferred Consideration Shares is set out in Annexure B.

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- (d) the maximum number of Deferred Consideration Shares to be issued is as follows:
    - i. in respect of the Tranche 2 Deferred Consideration Shares, the maximum number to be issued is 59,504,132 Shares (calculated based on a issue price of \$0.0121);
    - ii. in respect of the Tranche 3 Consideration Shares, the maximum number to be issued is 137,142,857 Shares (calculated based on a floor price of \$0.0175);
    - iii. in respect of the Tranche 4 Consideration Shares, the maximum number to be issued is 106,666,667 Shares (calculated based on a floor price of \$0.0225);
  - (e) the Deferred Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
  - (f) ASX has granted the Company a waiver from Listing Rule 7.3.4 to the effect that the Company may issue the Tranche 3 Consideration Shares no later than 15 months from the date of completion of the Transaction (not later than 6 December 2025);
  - (g) ASX has granted the Company a waiver from Listing Rule 7.3.4 to the effect that the Company may issue the Tranche 4 Consideration Shares no later than 27 months from the date of completion of the Transaction (not later than 6 December 2026);
  - (h) The Tranche 3 Deferred Consideration Shares will be issued at an issue price which is equal to the higher of \$0.0175 per Share or a 10% discount to the 90 day VWAP calculated from on the date the Tranche 3 Milestone was deemed to have been achieved on.
  - (i) The Tranche 4 Deferred Consideration Shares will be issued at an issue price which is equal to the higher of \$0.0225 per Share or a 10% discount to the 90 day VWAP calculated from on the date the Tranche 4 Milestone was deemed to have been achieved on.
  - (j) Deferred consideration Shares will be issued as part consideration for the acquisition of the Sale Shares;
  - (k) the purpose of the issue of the Deferred Consideration Shares is to satisfy the Company's obligations under the Binding Agreement;
  - (l) the Deferred Consideration Shares are being issued to the vendors of Limepay under the Binding Agreement. A summary of the material terms of the Binding Agreement is set out in Annexure C; and
  - (m) the Deferred Consideration Shares are not being issued under, or to fund, a reverse takeover.

## 5.5 Dilution

Annexure B sets out worked examples of the number of Initial Consideration Shares to be issued under Resolution 5 and the number of Deferred Consideration Shares that may be issued under

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this Resolution 6 based on the floor price for Tranche 3 Consideration Shares (\$0.0175) and an issue price which is 50% higher (\$0.0265) and a price which is 100% higher (\$0.035) and based on the floor price for Tranche 4 Consideration Shares (\$0.0225) and an issue price which is 50% higher (\$0.03375) and an issue price which is 100% higher (\$0.045).

#### **5.6 Directors' recommendation**

The Directors recommend Shareholders vote in favour of Resolution 6.

Justyn Stedwell

Company Secretary

On behalf of the Board of Directors.

## GLOSSARY

In the Notice of Meeting and Explanatory Statement the following terms have the following meanings:

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules or Listing Rules** means the listing rules of ASX.

**AEST** means Australian Eastern Standard Time.

**Binding Agreement** means the binding but conditional agreement for Spenda to acquire the Sale Shares

**Board** means the board of directors of the Company.

**Capricorn** means Capricorn Society Ltd.

**Company or Spenda or Purchaser** means Spenda Limited ABN 67 099 084 143.

**Constitution** means the constitution of the Company.

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

**Deferred Consideration Shares** means Tranche 2 Deferred Consideration Shares, Tranche 3 Deferred Consideration Shares and Tranche 4 Deferred Consideration Shares.

**Director** means a current director of the Company.

**Equity Security** means a Share or any security convertible into a Share including Options.

**Explanatory Statement** means the explanatory statement to this notice of general meeting.

**Initial Consideration Shares** means 204,958,678 Shares (being shares to the value of \$2,480,000, based on a deemed issue price of \$0.0121 each).

**KMP** means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

**Limepay** means Limepay Pty Ltd (ACN 169 399 393) and its controlled entities.

**Meeting** means the General Meeting of the Shareholders of the Company to be held on 17 September 2024, to which the Notice of Meeting and Explanatory Statement relate.

**Milestones** means Tranche 2 Milestone, Tranche 3 Milestone and Tranche 4 Milestone.

**Notice or Notice of Meeting** means this notice of General Meeting of the Company dated 16 August 2024.

**Option** means an option to acquire a Share.

**Placement** has the meaning given in clause 1.1

**Placement Shares** has the meaning given in clause 1.1

**Resolution** means a resolution referred to in the Notice.

**Sale Shares** means 100% of the issued share capital in Limepay.

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

**Shareholder** means a holder of Shares.

**R&D Refund** means the research and development tax offset that Limepay anticipates receiving with respect to the 2024 financial year in the sum of \$720,000 or such other sum as agreed by Limepay and the Company in writing.

**Tranche 2 Deferred Consideration Shares means** the issue by the Company of up to 59,504,132 Shares at an issue price of \$0.0121, upon Limepay receiving its R&D Refund.

**Tranche 2 Milestone** means the Company receiving its anticipated R&D Refund from the Australian Taxation Office in cleared funds.

**Tranche 3 Deferred Consideration Shares** means the payment by the Company of \$2,400,000 through the issue of a maximum number of 137,142,857 Shares at an issue price of the greater of \$0.0175 or a 10% discount to the 90-day VWAP, upon Limepay achieving the Tranche 3 Milestone.

**Tranche 3 Milestone** means Limepay achieving 3-month revenue of at least \$1,200,000 for three consecutive months within 12 months of the date of acquisition.

**Tranche 4 Deferred Consideration Shares** means the payment by the Company of \$2,400,000 through the issue of a maximum number of 106,666,667 Shares at an issue price of the greater of \$0.0225 or a 10% discount to the 90-day VWAP, upon Limepay achieving the Tranche 4 Milestone.

**Tranche 4 Milestone** means Limepay achieving 3-month revenue of at least \$1,800,000 for three consecutive months within 24 months of the date of acquisition.

**Transaction** means the acquisition by the Company of all of the Sale Shares.

**Vendors** means the vendors of Limepay.

**VWAP** means the volume weighted average price of Shares as traded on ASX.

Words importing the singular include the plural and vice versa.

All references to currency are in Australian dollars

## Annexure A – Terms and conditions of Unlisted Options

- (a) Each Option gives the Option holder the right to subscribe for one Share.
- (b) Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option is the Exercise Price.
- (d) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 10,000 must be exercised on each occasion.
- (e) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number and class of options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,

### **(Exercise Notice).**

- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 15 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price (and subject to the Company obtaining any necessary prior approvals from Shareholders or regulatory bodies for the issue of the Shares), the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) All Shares issued upon the exercise of Options will upon issue rank pari passu in all respects with other Shares.
- (i) The Options are transferable subject to any transfer restrictions or escrow arrangements imposed by ASX or under applicable Australian securities laws and subject to meeting minimum quotation requirements under the ASX Listing Rules. The Company will not seek Official Quotation of the Options.
- (j) The Company will apply for quotation of all Shares issued pursuant to the exercise of Options on ASX within 15 Business Days after the date of issue of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 Business Days after the issue is announced. This will give Option holders the opportunity



to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

## Annexure B

### DILUTION ON CAPITAL STRUCTURE OF LIMEPAY INITIAL CONSIDERATION SHARES AND DEFERRED CONSIDERATION SHARES

Resolution	Milestone	Assumed issue price	Maximum number of Shares which may be issued	Shares on issue	Increased number of Shares on issue based on the assumed issue price	Dilution effect on existing Shareholders based on the assumed issue price
<b>Tranche 1 Initial Consideration Shares</b>						
5	Issue Price	0.0121	204,958,678	4,328,957,799	4,533,916,477	4.52%
<b>Tranche 2 Deferred Consideration Shares</b>						
6	Issue Price	0.0121	59,504,132	4,533,916,477	4,593,420,609	1.3%
<b>Tranche 3 Deferred Consideration Shares</b>						
6	Floor Price	0.0175	137,142,857	4,593,420,609	4,730,563,466	2.9%
	Issue Price which is a 50% increase to Floor Price	0.02625	91,428,571	4,593,420,609	4,684,849,180	1.95%
	Issue Price which is a 100% increase to Floor Price	0.035	68,571,428	4,593,420,609	4,661,992,037	1.47%
<b>Tranche 4 Deferred Consideration Shares</b>						
6	Floor Price	0.0225	106,666,667	4,730,563,466	4,837,230,133	2.21%
	Issue Price which is a 50% increase to Floor Price	0.03375	71,111,112	4,730,563,466	4,801,674,578	1.48%
	Issue Price which is a 100% increase to Floor Price	0.045	53,333,334	4,730,563,466	4,783,896,800	1.11%

Notes:

1. Shares on issue is based on current Shares on issue as at the date of the Notice plus 4,500,000 Shares to be issued to Adrian Floate or his nominee subject to the passing of Resolution 3.
2. Shares on prior to issue of Tranche 3 Deferred Consideration Shares assumes all Tranche 2 Deferred Consideration Shares have been issued.
3. Shares on issue prior to issue of Tranche 4 Deferred Consideration Shares assumes Tranche 3 Deferred Consideration Shares were issued at the Floor Price (\$0.0175 per Share).
4. The Company notes that the above workings are an example only and the actual Shares on issue and issue price may differ. If this occurs, this will result in the number of Shares to be issued and/or the dilution percentage to also differ.
5. Fractional Share numbers are rounded up.
6. Maximum dilution of the acquisition of Limepay assuming all applicable milestones are achieved is 10.93%.

### Annexure C – Summary of Binding Agreement

The Company (**Purchaser**) has entered into the Binding Agreement with the vendors of Limepay (**Vendors**) to acquire 100% interest in the issued share capital of Limepay. A summary of the material terms of the Binding Agreement is set out below:

<b>Acquisition</b>	<p>The Purchaser agrees to acquire, and the Vendors agree to sell, all of the Sale Shares:</p> <ul style="list-style-type: none"> <li>(a) for, in aggregate, the consideration set out below;</li> <li>(b) free from any encumbrances;</li> <li>(c) with all rights including dividends, distribution and voting rights attached or accrued to them on or after the completion of the Transaction; and</li> <li>(d) subject to the terms of the Binding Agreement.</li> </ul>
<b>Consideration</b>	<p>The Purchaser agrees to pay, issue or grant the following consideration to the Vendors or their nominee(s) (in proportion with their respective holdings of the Sale Shares):</p> <ul style="list-style-type: none"> <li>(a) Initial Consideration Shares: 204,958,678 Spenda Shares (being shares to the value of \$2,480,000, based on a deemed issue price of \$0.0121 each to be issued upon completion of the acquisition.</li> <li>(b) Tranche 2 Deferred Consideration Shares: Subject to Limepay receiving its anticipated R&amp;D Refund of \$720,000 (or such other sum as agreed by the Parties in writing) from the Australian Taxation Office in cleared funds, within 5 business days, the Purchaser will issue to the Vendors up to a total of 59,504,132 Shares (being shares up to the value of \$720,000, based on a deemed issue price of \$0.0121)</li> <li>(c) Tranche 3 Deferred Consideration Shares: Within 5 business days of the Purchaser obtaining confirmation from its auditor of the satisfaction of the Tranche 3 Milestone the Purchaser will issue to the Vendors such number of Shares as 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. The Vendors shall be entitled to the Tranche 3 Deferred Consideration Shares where the Tranche 3 Milestone is satisfied on or before the first anniversary of the acquisition completion date and any such Shares to which the Vendors are so entitled must be issued to the Vendors on or before 15 calendar months from the acquisition completion date. The Tranche 3 Milestone is satisfied on the date that Limepay gives notice to the Purchaser of such satisfaction together</li> </ul>

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	<p>with all supporting documents and information from which satisfaction of the Tranche 3 Milestone may be verified by the Purchaser's auditor.</p> <p>(d) Tranche 4 Deferred Consideration Shares: Within 5 Business Days of the Purchaser obtaining confirmation from its auditor of the satisfaction of the Tranche 4 Milestone the Purchaser will issue to the Vendors such number of Shares as 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. The Vendors shall be entitled to the Tranche 4 Deferred Consideration Shares where the Tranche 4 Milestone is satisfied on or before the first anniversary of the acquisition completion date and any such Shares to which the Vendors are so entitled must be issued to the Vendors on or before 27 calendar months from the acquisition completion date. The Tranche 4 Milestone is satisfied on the date that Limepay gives notice to the Purchaser of such satisfaction together with all supporting documents and information from which satisfaction of the Tranche 4 Milestone may be verified by the Purchaser's auditor.</p>
<p><b>Escrow</b></p>	<p>Escrow will be applied to:</p> <ul style="list-style-type: none"> <li>a) 100% of the Initial Consideration Shares for a period of 12 months from the date of issue.</li> <li>b) 100% of Tranche 2 Deferred Consideration Shares for a period of 12 months from the date of issue.</li> <li>c) 50% of the Tranche 3 Deferred Consideration Shares for a period of 12 months from the date of issue.</li> <li>d) 50% of the Tranche 4 Deferred Consideration Shares for a period of 12 months from the date of issue.</li> </ul>
<p><b>Conditions precedent</b></p>	<p>Completion of the Transaction is conditional upon the satisfaction of the following key conditions precedent <b>(Conditions Precedent)</b>:</p> <p>Completion of the sale and purchase of the Sale Shares is subject to and conditional on the satisfaction of various conditions, which include, but are not limited to:</p> <ul style="list-style-type: none"> <li>(a) the Company completing legal, operational and financial due diligence investigations on Limepay and notifying Limepay in writing that it is satisfied (in its sole and absolute discretion) with the outcome of those investigations;</li> </ul>

	<ul style="list-style-type: none"><li>(b) no material adverse condition having occurred or arisen in relation to Limepay;</li><li>(c) key Limepay employees entering into new employment agreements with the Company or an entity designated by it, which agreements must be on terms and conditions approved by the Company and acceptable to the key employees (each acting reasonably) and provided those employment agreements will be:<ul style="list-style-type: none"><li>• on terms no less favourable to the key employees than the existing employment agreements between the Limepay and the key employees; and</li><li>• subject to and conditional on completion of the acquisition of Limepay occurring and take effect as at the acquisition completion date;</li></ul></li><li>(d) Limepay discharging all security interests over their assets and providing evidence to the Company's reasonable satisfaction of such fact;</li><li>(e) Limepay demonstrating to the Company's reasonable satisfaction that (where applicable) all change of control consents have been obtained for all material contracts;</li><li>(f) all necessary regulatory, shareholder and other approvals being obtained in connection with the Transaction;</li><li>(g) no unauthorised changes being made to the capital structure of Limepay without the prior written approval of the Company;</li><li>(h) Limepay demonstrating to the Company's reasonable satisfaction that Limepay has cleared all, and as at the completion date will have no, outstanding liabilities owing to directors, including in respect of director's loans, director's expenses, director's funding interest payments due and unpaid salaries; and</li><li>(i) On the business day prior to completion of the acquisition, Limepay must provide to the Company evidence (to the reasonable satisfaction of the Company) to demonstrate that Limepay has, and will at completion of the acquisition have available to it:</li></ul>
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	<ul style="list-style-type: none"><li>i. positive working capital; and</li><li>ii. positive net assets.</li></ul> <p>In the event the Vendors 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:</p> <p style="text-align: center;">(<math>\\$720,000 - \text{WCD}</math>) / <math>\\$0.0121 = \text{No. Spenda Shares}</math></p> <p style="text-align: center;">(Where WCD = working capital deficit)</p> <p>Conditions Precedents are for the sole benefit of the Company and may only be waived by the Company.</p> <p>If the Conditions Precedents are not satisfied (or waived in accordance with the Binding Agreement) on or before 17 September 2024 (or as otherwise agreed by the parties), then provided that they have complied with their obligations under the Binding Agreement the Company or Limepay may terminate the Binding Agreement by giving not less than 2 days business days' notice of termination subject to various conditions.</p>
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16 August 2024

## General Meeting – Letter of Access

Spenda Limited (ASX:SPX) ('Spenda' or Company) advises that a General Meeting of Shareholders will be held at Karstens Sydney, Level 1, 111 Harrington Street, The Rocks, Sydney, 2000 on 17 September 2024 at 11:00am AEST.

In accordance with Part 1.2AA of the Corporations Act 2001, the Company will only be dispatching physical copies of the Notice of Meeting (**Notice**) to Shareholders who have elected to receive the Notice in physical form.

Shareholders who have provided an email address and have elected to receive electronic communications from the Company, will receive an email to their nominated email address with a link to an electronic copy of the Notice and the proxy voting form. Otherwise, a personalized proxy voting form will be printed and dispatched to Shareholders.

## Notice of General Meeting

The full Notice is available at:

1. [https://staff-web.automicgroup.com.au/er/public/api/documents/SPX?fileName=Spenda\\_EGM.pdf](https://staff-web.automicgroup.com.au/er/public/api/documents/SPX?fileName=Spenda_EGM.pdf)
2. <https://www.asx.com.au/asx/v2/statistics/announcements.do?by=asxCode&asxCode=spx&timeframe=Y&year=2024>
3. by contacting the Company Secretary at [investors@spenda.co](mailto:investors@spenda.co)

## Your vote is important

The business of the Meeting affects your shareholding and your vote is important. All resolutions will be decided on a poll. The poll will be conducted based on votes submitted by proxy and at the Meeting.

## Voting in person

To vote in person, attend the General Meeting on the date and at the place set out above.



**www.spenda.co**  
Spenda Limited  
ASX:SPX  
ACN 099 084 143  
[investors@spenda.co](mailto:investors@spenda.co)

Part G, Building B, The Garden' Office Park, 355 Scarborough Beach Road, Osborne Park, WA, 6017





## Voting by proxy

To vote by proxy, please use one of the following methods:

<b>Online</b>	Lodge the Proxy Form online at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.
<b>By post</b>	Completing the enclosed Proxy Form and posting it to: Automic, GPO Box 5193, Sydney NSW 2001
<b>By hand</b>	Completing the enclosed Proxy Form and delivering it by hand to: Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
<b>By email</b>	Completing the enclosed Proxy Form and emailing it to: <a href="mailto:meetings@automicgroup.com.au">meetings@automicgroup.com.au</a>

Your Proxy instruction must be received no later than 11:00am (AEST) on 15 September 2024, being at least 48 hours before the commencement of the Meeting.

Subject to the voting restrictions set out in the Notice, the Chairperson will vote undirected proxies on, and in favour of Resolutions 1 to 6.

Justyn Stedwell  
Company Secretary

## Shareholder Enquiries

Please email: [investors@spenda.co](mailto:investors@spenda.co)



**www.spenda.co**  
Spenda Limited  
ASX:SPX  
ACN 099 084 143  
[investors@spenda.co](mailto:investors@spenda.co)

Part G, Building B, The Garden' Office Park, 355 Scarborough Beach Road, Osborne Park, WA, 6017

# Proxy Voting Form

If you are attending the Meeting in person, please bring this with you for Securityholder registration.

Your proxy voting instruction must be received by **11.00am (AEST) on Sunday, 15 September 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

#### WEBSITE:

<https://automicgroup.com.au/>

#### PHONE:

1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

