



ASX Release

16 October 2024

## Capricorn to Launch Spenda's Statement technology to Member Network

### Key Highlights:

- **Successful pilot:** following a successful pilot with Members, Capricorn has agreed to commercialise Spenda's *Pay-Statement-By-Link* product under the *SwiftStatement* brand.
- **Member Value:** *SwiftStatement* enables automatic invoice integration for Capricorn Members on their consolidated supplier account statement from Capricorn and allows Spenda to provide Members an integrated payment capability.
- **Commercial terms:** Spenda will receive a platform license fee from Capricorn of \$1.4m and generate recurring SaaS revenue from Capricorn's ~30,000 Members. A 50% adoption rate would equate to \$18m in annual recurring revenue.
- **Payment processing:** Spenda will also provide an additional payment processing capability to Members within the *SwiftStatement* solution and Capricorn has waived its previously agreed rebate rights on such payment processing.

Spenda Limited (**ASX:SPX**, "**Spenda**" or "**the Company**"), an innovative software company with embedded electronic payment solutions for supply chains and trading networks, is pleased to announce that it has commenced the *SwiftStatement* Member program with Capricorn to modernise the delivery and utilisation of Capricorn's Statement data.

In addition to the existing ten year Master Services Agreement, Capricorn and Spenda have executed a Preferred Supplier agreement that enables Spenda to offer its products and services to the Capricorn Membership. *SwiftStatement* is the first product Spenda will commercialise under the agreement.

Built on Spenda's *Pay-Statement-By-Link* ('*PSBL*') technology, *SwiftStatement* provides a Member with a live transaction feed of their Capricorn trade account, which in turn will speed up reconciliation time and reduce manual data entry errors.

Following a successful pilot which was completed in September 2024, the parties will launch *SwiftStatement* to Members at the beginning of November 2024. The success of the pilot confirmed the market fit for *SwiftStatement* to the majority of Capricorn's 30,000 strong member base.



**www.spenda.co**  
Spenda Limited  
ASX:SPX  
ACN 099 084 143  
investors@spenda.co

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



## SwiftStatement Overview

Spenda's software is able to automate the transaction matching process and/or new transaction delivery to a Capricorn Member's integrated cloud accounting system (e.g. **Xero** and **MYOB**). This product is designed to be offered to Members via a monthly software subscription of \$99 incl. GST. The parties expect the uptake of commercial product launch to underpin a durable recurring revenue and deliver Spenda strong maintainable earnings for the lifetime of the Spenda, Capricorn commercial relationship.

*SwiftStatement* simplifies the way Members manage, match and reconcile invoices. The software constructs a transaction pipe between Capricorn and its Members and places accounts payable functionality (Spenda's *PSBL*) at the fingertips of the Members.

Key business benefits for Capricorn Members include:

- Simple onboarding process
- Easy invoice mapping
- Fast accounting integration
- Automated invoice reconciliation

Under this model:

- Capricorn acts as a transaction aggregator
- Members receive a data feed from Capricorn with all their Supplier invoices received from the previous day
- Each Member uses Spenda to map the Supplier invoices to creditors in their accounting system
- Members will only have to map invoices from a Supplier once, as the supplier relationship is saved for all future transactions from the Supplier
- Transactions can be automatically marked as charged to Capricorn progressively over the months instead of the current manual transaction tagging
- Each approved purchase is posted to the Members accounting system and pre-reconciled for payment when due
- Members can use Capricorn data as the source of their missing transactions, posting directly to their accounting system, instead of raising them manually

## SwiftStatement Pricing

Under the agreed member pricing model, Capricorn will pay Spenda a minimum of \$1.4m in platform license fees.

Members adopting *SwiftStatement* will be charged a monthly subscription of \$99 incl. GST for enablement. Both parties are targeting an adoption rate of at least 50% of the member base (15,000 Members) by 30 September 2025 on a best endeavour basis, which if successful will equate to annual recurring revenue of ~\$18m for Spenda.



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In addition, Spenda will provide an additional payment capability to the Membership enabling them to make integrated card and account payments to Capricorn. Capricorn has agreed to waive its right to future revenue streams from the processing of these payments. The waiver of these rights is proposed to be satisfied with the issue of options.

Spenda Limited's Managing Director and Chief Executive Officer, Adrian Floate commented:

*"Capricorn and Spenda are collaborating on a variety of digital initiatives that maximise the utilisation of the Capricorn account. The SwiftStatement product removes administration and direct cost from a Members business enabling them to do more with their existing resources. We are looking forward to rolling out this technology and we are very appreciative of the continuing commitment being shown by Capricorn in Spenda, our technology, and our vision."*

Capricorn Society Limited's Chief Executive Officer Automotive, Bradley Gannon commented:

*"Capricorn is looking forward to continuing its close working relationship with Spenda. Consistent with our commitment to Capricorn Members, we are always looking to provide solutions that improve their business operations. We have been very pleased with pilot feedback on the SwiftStatement product. We are looking forward to the bringing SwiftStatement to market and delivering further value to our Membership."*

-ENDS-



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## 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.

## About Capricorn

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.



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This announcement has been authorised by the Company Secretary.

**Investor Enquiries**

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

For more information, see <https://spenda.co/investor-centre/>

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