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# FY24 Annual Report

▶ Spenda Limited ABN 67 099 084 143

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# Sell better. Get paid faster.

Spenda is an integrated business platform that enables businesses across the supply chain to sell better and get paid faster.

We serve as both a software solutions provider and a payment processor and deliver the essential infrastructure to streamline business processes before, during and after the payment event.



## Streamline your business processes

Work smarter, not harder. All our apps are designed to work seamlessly together to create better efficiency in how businesses trade and get paid.



## Power growth through payments

Streamline your payments process, offer more flexible payment options, access unsecured third-party finance for yourself or your business networks, and strengthen cash flow across your supply chain.

**One connected solution that  
improves the way businesses  
trade and get paid.**



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**Solutions  
designed to  
grow with your  
business.**

# Shareholder letter

## From the Managing Director

To my fellow shareholders,

It is a pleasure to provide you with an update on Spenda’s performance over the last financial year and our strategic focus for the year ahead.

Firstly, I would like to thank you all for your continued support of the Company as we move towards realising our ambition of enabling supply chains and trading networks to sell better and get paid faster.

We commenced FY24 with a clear focus to roll out the Spenda Platform to the Carpet Court network and secure our relationship with Capricorn Society.



Adrian Floate  
Managing Director

**I am pleased to report that the Company has successfully:**



Progressed the Digital Service Delivery (DSD) initiative with Capricorn to promote utilisation of the Capricorn Account via the Capricorn Preferred Suppliers' rapidly growing ecommerce channels.



Re-signed a 10-year Master Services Agreement (MSA) with Capricorn to transform its digital payments infrastructure for the next decade and beyond.



Received a cornerstone investment of \$7.2m from Capricorn to ensure both parties continue to work together on the foundation infrastructure to build long-term sustainable revenues.



Successfully rolled out Spenda's Pay-Statement-By-Link (PSBL) payments infrastructure to 205 Carpet Court stores and have secured a five-year exclusive agreement to offer lending services to the store network.



Partnered with eBev to offer integrated payment solutions across eBev's hospitality supply chain network.



Completed the development, certification and launch of the Company's payment facilitator (PayFac) merchant payment service.



Signed a payment processing agreement with international corporate payment specialist AirPlus International to jointly offer a virtual card product.



Delivered a healthy 73% growth in revenue, from \$3.1m in FY23 to \$5.37m in FY24, which demonstrates the hard work of our committed and dedicated team.

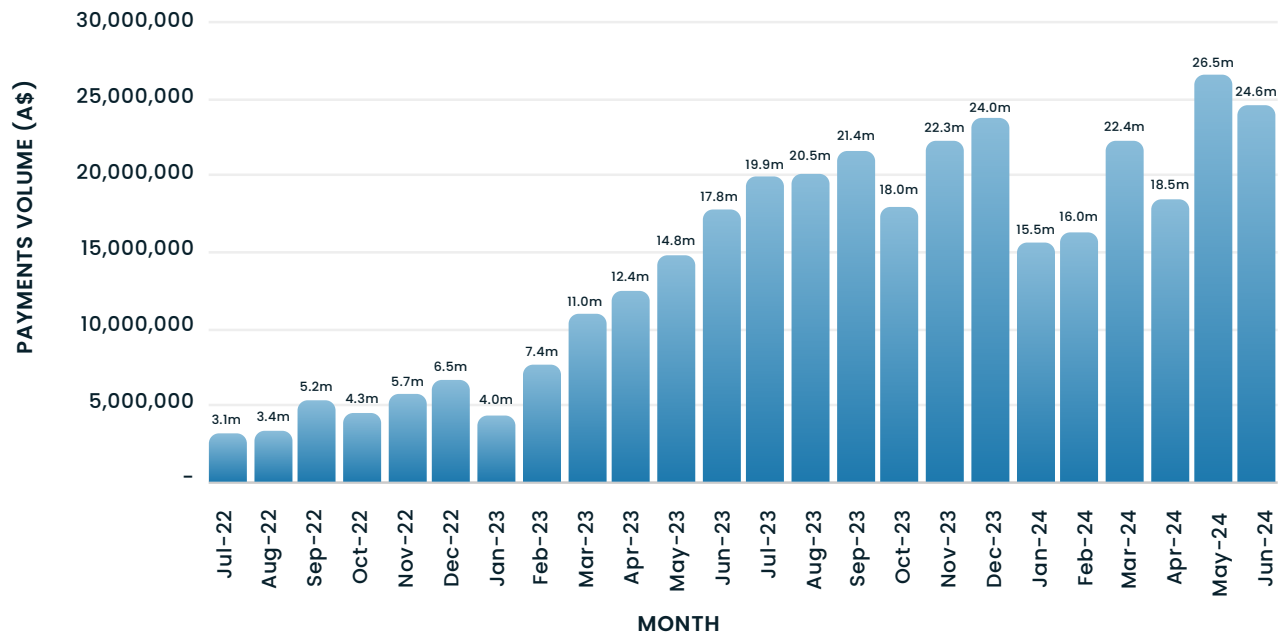


Figure 1: Payments Volumes on Spenda platform over the past two years

## Reflecting on the year that's been, it's pleasing to see that we achieved these outcomes, further validating our software and business strategy going forward.

In what was an extremely difficult decision for the Company, the demand for resourcing to satisfy the commercial objectives of Capricorn and the continued product development for Carpet Court resulted in us having to put on hold Phase One of the AgriChain early settlement program.

While our primary objectives to become cash flow positive and establish the foundations for sustainable long-term growth remain unchanged, I acknowledge that we have yet to meet the former but are well advanced on the latter.

To elaborate, the process to re-sign the MSA with Capricorn was an intense exercise. It involved being audited by a third-party technology consultancy firm and undergoing a global selection process to find the best possible technology vendor that could meet Capricorn's commercial needs and growth aspirations for the next 10+ years.

**The process took over 12 months to complete which resulted in Spenda being selected as Capricorn's technology partner and securing a \$7.2 million cornerstone investment.**

It was an extremely proud moment for the team to have undergone a rigorous due diligence process and be validated by the outcome. I am proud of their dedication, perseverance and commitment to delivering such high-quality technology. As shareholders, we should take away a sense of achievement and belief in our future journey together.

We are fully focussed on rolling out products and services to enable Capricorn's digital transformation. The programs of work for Capricorn continue to evolve and grow in scale and scope. The project teams are continuously generating new ideas around products and services that can further enhance the transactional layer for the Members (predominantly mechanical workshops) and Suppliers, improving the speed at which transactions are formed, invoices are processed, and payments are made or received.



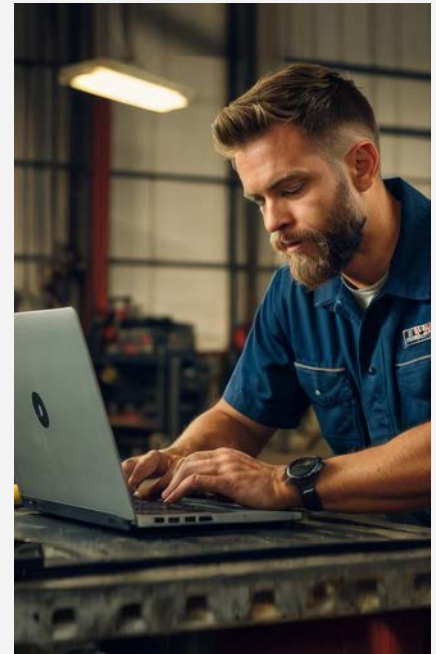


**Our focus with Capricorn enables the incorporation of multiple projects and revenue streams over the long-term and is currently centred around:**

Progressing the Capricorn DSD project, which is moving into production in September '24 and is on-time and on-budget.

Developing innovative solutions to deliver PSBL to the Member network, to improve invoice delivery and reconciliation outcomes.

Continued identification of new projects to further digitise and improve the Capricorn network engagement, wallet share and Member satisfaction.



Each step in the development and commercialisation of Spenda's product suite required careful consideration, problem solving and innovation. Although this took extra time and refinement, Spenda's investment in the DSD project and the 10-year MSLA with Capricorn will benefit the Company and shareholders in the future.



## Growing Capability

Spenda continues to add technology enabled payment service options that match its customers' needs, embedded directly in the Spenda Platform.

Last year I alluded to the fact, that in order to achieve our commercial objectives on the road to revenue generation and cash flow break-even, we must rely on the execution of strategic decisions that ultimately create solutions that are truly unique.

Spenda's goal is to change how people do business with a single product ecosystem. We've shown this through our acquisition of Limepay and our agreement with AirPlus International.

# Limepay



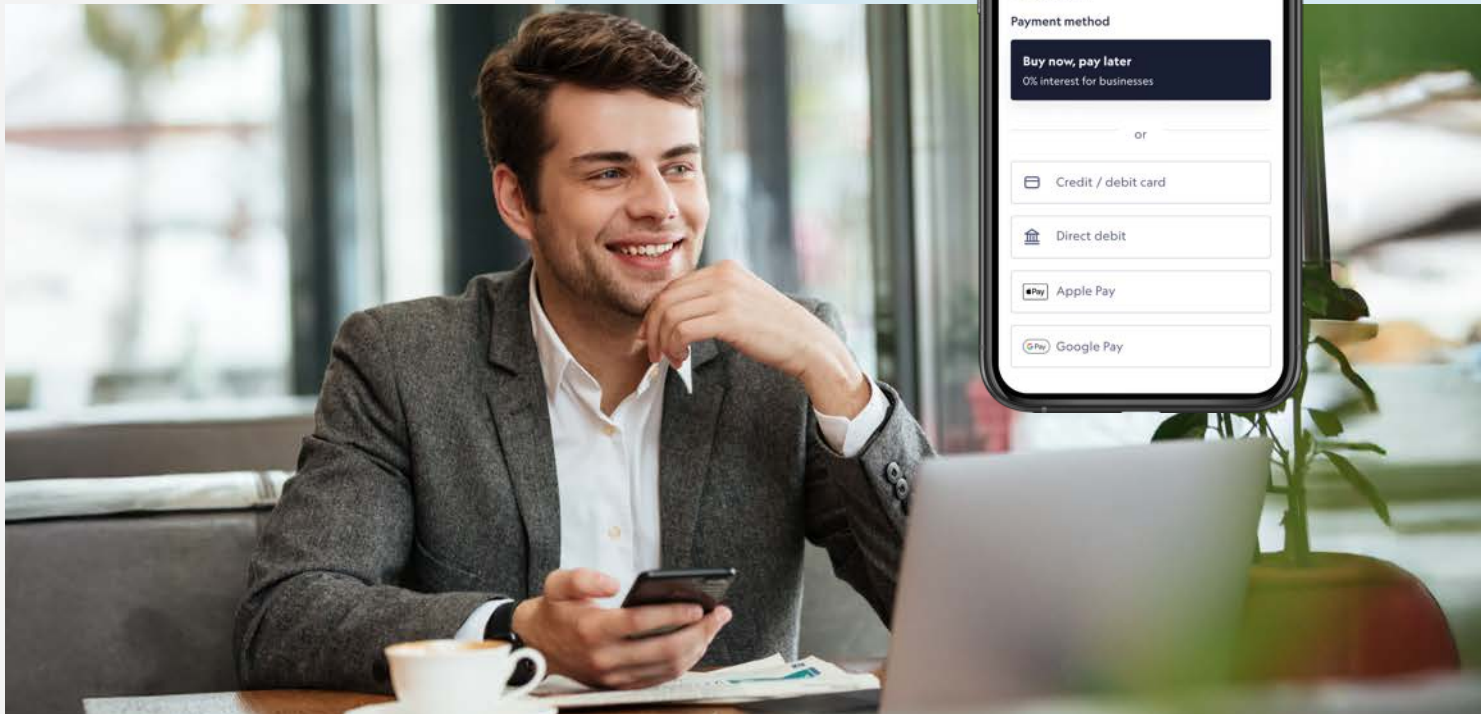
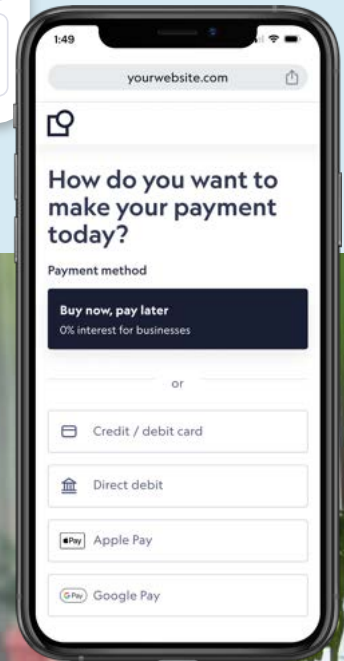
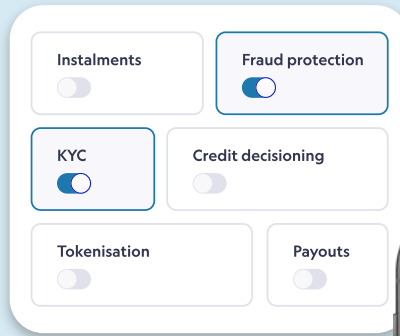
Through the successful acquisition of Limepay on 20 September 2024, Spenda bolted on key technology that will further enable the Company's payment service offering.

Limepay's scalable cloud-based platform of software tools enable corporates and financial institutions to provide white-labeled embedded finance solutions to their customers. These include a suite of leading payment technologies that encompass payment acceptance, instalment options, lending, working capital, marketplace solutions and SaaS offerings.

Developed in-house and managed by a team of eight experienced fintech developers with extensive experience in banking and payments technology, the team provides a valuable upskilled resource pool that complements Spenda's team.

Limepay's mature payments Intellectual Property has delivered immediate benefits for Spenda's customers, enabling them to readily deploy end-to-end payment solutions and services with immediate deployment and revenue generating opportunities.

**The enlarged business' software suite will further enhance the Company's capabilities with a much more robust product suite.**



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## AirPlus



In November 2023, the Company signed a payment processing agreement with AirPlus to jointly offer a virtual card product. The AirPlus facility enables Spenda's clients to access working capital funds with extended trade terms of up to 90 days. This will increase payments volumes on Spenda's platform over time. The Airplus product can be bundled with the Pay Statement by Link or Accounts Payable product offering to replace traditional supply side credit.

Virtual cards can be generated on demand by AirPlus within the Spenda system for a set limit.

**Virtual cards provide a new tightened level of security for Spenda users as they only exist for a moment in time to facilitate a specific transaction, therefore, can not be lost, stolen or skimmed.**

Earlier this year, Spenda began rolling out the new AirPlus card facilities to current customer channels that include eBev and Carpet Court, and we expect significant growth as it continues to rollout amongst new and existing customers.

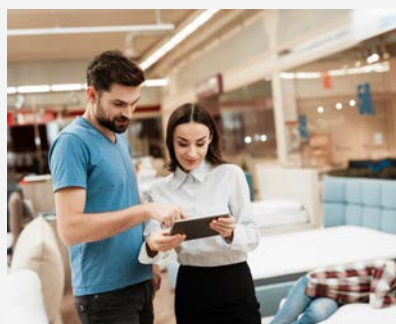
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## Product Innovation

**Spenda is a software solutions provider and a payments processor delivering the essential infrastructure to streamline processes before, during and after the payment event.**

During FY24 the Company continued to enhance this product offering and introduced new capabilities to its services to meet the evolving needs of our customer networks. In FY25 the Company's continued focus will be on delivering the following program of works for Carpet Court and Capricorn.



01

### Carpet Court Store Solutions – B2C engagement

- Delivering the Standard Operating Environment ('SOE') to the Carpet Court store network that enables them to manage their quote-to-install payment flow. This software will roll out across the network during H1 FY25 and has a broad application to many verticals.
- Roll out of consumer payment services to the end-consumer, including digital payment options and POS terminals in-store. These services enable Spenda to capture an additional \$20m in annual payment flows from the end-consumer through the Spenda network.



02

### Carpet Court Supplier Solutions – Manufacturer engagement

- Spenda has commenced working with Carpet Court and its suppliers to digitise procurement and introduce early payment options to the suppliers.
- This initiative will integrate into the SOE and enable suppliers to publish their catalogues to the store network, receive digital orders, send digital invoices, and receive payment via the Spenda network.
- This project is likely to run over the next 18 months.



03

### Capricorn

- Progressing the Capricorn DSD project, as it moves into production in H1 FY25, on time and on budget.
- Developing new solutions to deliver PSBL into the Member network and improve eInvoice delivery and reconciliation outcomes.
- Planning new initiatives and projects to further digitise and improve the Capricorn network engagement, wallet share and Member satisfaction.

## Customer Satisfaction

Over the past 12 months, the Company has remained dedicated to its customers' success. We've built a strong relationship with Capricorn, highlighted by their significant investment in our Company.

We are also the top payments vendor for the Carpet Court store network. Earlier this year Spenda and Carpet Court presented together at the Melbourne Finance Transformation Summit. This event allowed Carpet Court to share their experiences, and by using Spenda, the Carpet Court network has managed to reduce time spent on allocation processes by 90% and increase team productivity by 40%.

**These impressive results are a testament to our technology's effectiveness and a significant achievement for us all.**



## Focus for FY25 and beyond

We operate in a constantly evolving landscape, driven by shifting market dynamics, advancements in security and technological requirements, and changing societal expectations. For Spenda to remain competitive and relevant we must continue to adapt and innovate, a challenge I am now more than ever, confident our team is capable of meeting.

FY24 has been a year of great successes and as we look ahead, we remain committed to delivering value to our current and future shareholders while pursuing innovation and continuing to demonstrate sustainable growth.

For FY25 we expect to continue to build upon the positive momentum achieved in FY24 with Carpet Court and Capricorn and plan to scale payments volume with the addition of Limepay's customer base. We will continue to roll out Spenda as a transactional service, combined with Limepay's payment services and AirPlus facilities.

As we continue to build new relationships to support our network growth model, the acquisition of Limepay will help us capture more opportunities to acquire new customer networks.

With the technology building blocks in place, we expect our year-on-year growth in revenue to continue at higher rates as more customers are boarded in shorter timeframes and with the deployment of whole of business solutions. We are excited to see that revenue trajectory accelerate to the benefit of all shareholders.

Thank you for your trust and continued support,

Adrian Floate

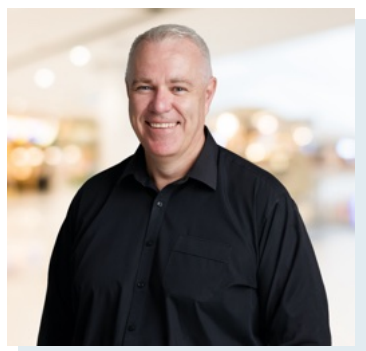
A handwritten signature in black ink, appearing to read 'Adrian Floate', is written over a set of horizontal lines.

## Executive Leadership Team



**Adrian Floate**  
**Managing Director**

Adrian Floate has founded, built and sold technology businesses and worked in Asia, Australia, the UK and US over the past 20 years. He is the founder of the Cirralto business originally acquired by Motopia in 2016.



**Richard Jarvis**  
**Chief Financial Officer**

Richard Jarvis is a qualified Chartered Certified Accountant and has over 20 years experience in professional accountancy and financial leadership roles with both private and publicly listed companies.



**Andy Hilton**  
**Chief Commercial Officer**

Andy Hilton has spent nearly 30 years in traditional lending and established three lending businesses. He has a background in accounting and engineering and managed the 20x growth of an IT distribution business. Prior to joining the executive team at Spenda, Andy was the co-founder and Managing Director of Australian fintech, Invigo. Spenda acquired Invigo in 2021.

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**David Wood**  
**Chief Product Officer**

David Wood has over 20 years of experience in Software and Systems Design, Dave is the driving force behind bringing Spenda's vision to life and works closely with his team to deliver a seamless experience for Spenda's customers.



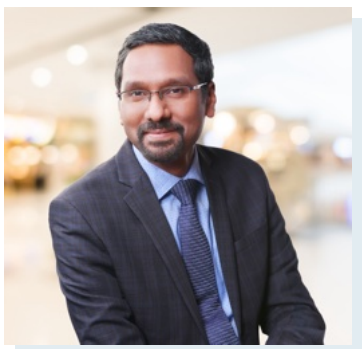
**Corrie Hassan**  
**Chief Operations Officer**

With over two decades of international business finance experience, Corrie provides vital risk and operational management insights. She founded an Australian SME lending business and co-founded Invigo, acquired by Spenda in 2021. As a crucial member of Spenda's Executive Leadership Team, Corrie influences strategy, oversees operations and project management, and manages lending portfolio risk.



**Olivia Johnson**  
**Chief Revenue Officer**

Bringing more than ten years of marketing, communications and sales experience in roles across public and private sectors in Australia, India, South Korea, and Myanmar, Olivia plays a key role in the Executive Team. She oversees Spenda's shareholder communications and leads the company's sales and marketing initiatives to achieve strategic growth objectives.



**Raghav Jain**  
**Chief Executive Officer Spenda India**

As an entrepreneur and global business leader, Raghav holds over 20 years of experience in technology services and digital transformation solutions. Prior to joining Spenda, he co-founded MintWorx, a tech startup in India which eventually led to setting up Spenda India in 2021. As a member of the Executive Team, Raghav spearheads Spenda's Asian entry and plays a key role in driving the overall company's strategic direction.

# Corporate directory

<b>Directors</b>	Peter Richards (Non-Executive Chairman) Adrian Floate (Managing Director and Chief Executive Officer) Howard Digby (Non-Executive Director) Stephen Dale (Non-Executive Director) David Laird (Non-Executive Director) Andrew Kearnan (Non-Executive Director)
<b>Company secretary</b>	Justyn Stedwell
<b>Registered office</b>	Suite 605, 275 Alfred Street North Sydney, New South Wales 2060
<b>Principal place of business</b>	Building B, The Garden Park 355 Scarborough Beach Road Osborne Park, Perth, Western Australia 6017
<b>Share registry</b>	Automic Registry Services Level 5, 126 Philip Street Sydney, New South Wales 2000 Phone (local): 1300 288 664 Phone (international): +61 (2) 9698 5414 <a href="http://www.automic.com.au">www.automic.com.au</a>
<b>Auditor</b>	HLB Mann Judd Level 4, 130 Stirling Street, Perth, Western Australia 6000
<b>Lawyers</b>	Murcia Pestell Hillard Pty Ltd Suite 183, Level 6 580 Hay Street Perth, Western Australia 6000
<b>Bankers</b>	Australia & New Zealand Banking Group Limited 833 Collins Street, Melbourne, Victoria 3000
<b>Stock exchange listing</b>	Spenda Limited's shares are listed on the Australian Securities Exchange (ASX code: SPX)
<b>Website</b>	<a href="http://www.spenda.co">www.spenda.co</a>



## Corporate governance statement

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support the principles of Corporate Governance. Where deemed appropriate, the Company follows the best practice recommendations as set out by the ASX Corporate Governance Council. Where the Company has not followed best practice for any recommendation, an explanation is given in the Corporate Governance Statement.

The Company's Corporate Governance Statement is available on the Company's website at [www.spenda.co](http://www.spenda.co)

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# Directors' report

The Directors present their report together with the financial report of the consolidated entity (referred to hereafter as the '**Group**') consisting of Spenda Limited ('**Spenda**' or '**the Company**') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

## Directors

The following persons were directors of the Company during the whole financial year and up to the date of this report, unless stated otherwise:

- Peter Richards
- Adrian Floate
- Howard Digby
- Stephen Dale
- David Laird – appointed 27 September 2023
- Andrew Kearnan – appointed 29 May 2024

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## Principal activities

The Group offers an integrated 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 and after the payment event.

The payments solution has three components – Software, Payments and 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 provides the services of five vendors into one solution with end-to-end software and supply 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, to improve their working capital efficiency and cash utilisation throughout their operations.

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## Dividends

The Company did not pay any dividends during the 2024 financial year (2023: \$nil). The Directors do not recommend the payment of a dividend in respect to the 2024 financial year.

## Directors report (continued)

### Review of results and operations

#### Results summary

The below table details key financial information for the year ended 30 June 2024 (FY24), with FY23 comparative:

	30 June 2024	30 June 2023	Movement
	\$	\$	\$
Revenue - including SaaS and Payments	2,842,535	938,790	1,903,745
Revenue - loan interest	2,532,475	2,172,723	359,752
Other income	163,702	250,643	(86,941)
<b>Total income</b>	<b>5,538,712</b>	<b>3,362,156</b>	<b>2,176,556</b>
Cost of services rendered	(2,246,013)	(1,417,929)	(828,084)
Employee and directors' benefits expense	(5,545,952)	(5,254,173)	(291,779)
Other expenses	(2,919,176)	(2,331,633)	(587,543)
<i>Less: non-cash expenses/benefits</i>			
Share-based payment expense	(1,823,051)	(1,498,960)	(324,091)
Fair value adjustment on non-current asset	(1,725,000)	-	(1,725,000)
Depreciation and amortisation expense	(3,662,728)	(3,854,967)	192,239
Borrowing costs	(773,652)	-	(773,652)
Income tax benefit	(48,159)	(7,408)	(40,751)
<b>Statutory net loss after income tax</b>	<b>(13,205,019)</b>	<b>(11,002,914)</b>	<b>(2,202,105)</b>

Revenue for FY24 was \$5.4m compared to FY23 revenue of \$3.1m, representing an increase of \$2.3m or 73%. This increase was predominantly driven by the expansion of services provided to key strategic customers and new revenue streams generated through blending Software, Payments and Lending.

The statutory net loss after income tax expense for FY24 was \$13.2m (FY23: loss of \$11m). The FY24 results included the following non-cash items:

- \$1.8m share-based payments expense;
- \$1.7m fair value adjustment through profit or loss;
- \$3.7m depreciation and amortisation expense; and
- \$0.8m borrowing costs.

Operating costs have increased from the prior year, which is mainly attributable to the growth in employee headcount to meet the business objectives. During the year the Company has increased its total headcount to 78 personnel as at 30 June 2024 (FY23: 71).

The Group had a closing cash and cash equivalents position of \$9.8m (restricted \$5.4m), as of 30 June 2024 and a client loan portfolio of \$10.8m, representing loan capital deployed to multiple customers.

## Directors report (continued)

The Group's net cash position of \$6.6m as at 30 June 2024 is represented in the below table:

Net cash position	\$
<b>Cash and cash equivalents (A)</b>	<b>9,837,055</b>
Gross client loan book	10,754,227
Less: Debt Warehouse facility	(14,000,000)
<b>Net client loan book (B)</b>	<b>(3,245,773)</b>
<b>Net cash position (A + B)</b>	<b>6,591,282</b>

### Operations summary

In FY24, Spenda continued to lay the foundations for long-term, sustainable revenue and earnings. In the past year, Spenda signed multiple strategic partnerships, continued to scale all product lines and increased payments volumes across the platform.

#### Key highlights include:

- **Signed strategic partnerships with the following:**
  - Carpet Court Australia Limited ("Carpet Court"): Entered into a five-year exclusive agreement to offer lending services to the Carpet Court Store network, following roll out of payments solutions between the store network and head office
  - Capricorn Society Ltd ("Capricorn"): Signed a 10-year Master Services and License Agreement ("MSLA") with Capricorn for the provision of software and ecommerce payments infrastructure and cornerstone investment by Capricorn, raising \$7.2m
  - AirPlus International GmbH ("AirPlus"): Entered into a partnership with AirPlus to jointly offer a virtual credit card product
  - eBev.com Pty Ltd ("eBev"): Signed binding Memorandum of Understanding ("MOU") with eBev to provide integrated payments solutions across the eBev marketplace
- **Continued to scale all product lines:**
  - All product lines, including Spenda Accounts Receivable ("SpendaAR"), Spenda Accounts Payable ("SpendaAP"), Payment Widget with corresponding SaaS software licensing fees, increased in FY24
  - Launch of Payment Facilitator ("PayFac") merchant payment services
  - Ongoing work on the Spenda retail Standard Operating Environment ("SOE")
- **Total payment volumes on the Spenda platform up 160% on pcp to \$250m**

### Key Strategic Partnerships

#### Carpet Court

Carpet Court is the largest retail floor covering specialist in Australia, with a growing network of 205 franchised stores, with a presence in every State and Territory.

Spenda and Carpet Court commenced working together in late 2022 to transform the network's payments infrastructure, from end-consumer right through to suppliers, by digitizing the store invoice-to-payment processes and improving data integration and analysis throughout the network.

## Directors report (continued)

Spenda's Pay-Statement-By-Link ("Spenda PSBL") payments infrastructure is now used across the Carpet Court franchise network, where 100% of the payments flow from the 205 stores to Carpet Court's National Support Centre ("NCS") is processed through the Spenda platform. Spenda's two core products, SpendaAR and Spenda PSBL solutions now deliver e-Invoicing, dispute management and B2B payments to the Carpet Court network.

In July 2023, Spenda announced a five-year exclusive agreement with Carpet Court to offer lending services to the store network.

By the end of FY24, Spenda was processing stable B2B volumes of approximately \$20m per month on its platform, from the roll out of SpendaAR to Carpet Court Head Office.

The continued rollout of B2C payments, including digital payment options and Spenda Point of Sale ("POS") terminals in-store, is expected in FY25 together with the planned roll out of the SOE to Carpet Court stores, which will enable them to manage their quote-to-install payment flows.

### Capricorn

Capricorn is a member-based organisation established in 1974 to primarily support businesses in the automotive industry. Its current network consists of over 28,000 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 signed a 10-year MSLA with Capricorn for the provision of software and ecommerce payments infrastructure, following the successful completion of the Foundation Stage of the Digital Services Delivery ("DSD") initiative.

The DSD initiative is a significant and strategic project that upgrades the payments infrastructure to Capricorn's Member and preferred Supplier network to increase productivity and create efficiencies for Members, preferred Suppliers and Capricorn. The new payments solutions will enable all Capricorn Members to access eCommerce payment solutions, that are powered by Spenda.

In 2H FY24, Spenda worked closely with Capricorn to customise its payments infrastructure for use by Capricorn's Members and preferred Supplier network, with the onboarding of the network expected in 1H FY25.

The parties have also agreed to a 5+5 year option, which if exercised, would extend the agreement to a 20-year term. The MSLA lays a foundation for both parties to build further joint initiatives that can improve the digitisation of the automotive industry over a decades long horizon.

In January 2024, Capricorn became a cornerstone investor in Spenda, raising \$7.2m via a private placement, reflecting Capricorn's confidence in Spenda's unique payments software and the Company's earnings potential over time.

In Q4 FY24, Spenda completed the 2nd milestone in the Capricorn DSD project, with the commercial launch of the new payment infrastructure on track for 1H FY25. Over half of the \$1.3m development fees have now been received, with the remaining expected by the end of 2024.

### AirPlus

AirPlus International is a leading international provider of solutions in the corporate payment segment. In November 2023, Spenda signed a payment processing agreement with AirPlus to jointly offer a virtual credit card product, which enables the generation of credit card numbers for specific purposes or durations.

This virtual credit card product enables Spenda's clients to access funds for purchases, utilising Spenda's AP and Payment Widget software. The addition of this capability is expected to enable scaling of client payment volumes by providing access to working capital from portable and flexible credit solutions.

## Directors report (continued)

This agreement significantly expands Spenda's addressable market and both parties are working together to develop a pipeline of opportunities to grow the virtual credit card product.

In 2H FY24, there was strong growth in the roll out of new AirPlus facilities for both new and existing clients, with total approved limits of \$6.5m as at 30 June 2024, generating over \$200k in revenue in Q4 FY24, up from \$35k in Q3 FY24. Continuing growth in SpendaAP adoption and AirPlus facilities is expected in FY25.

### eBev

eBev is a software provider with a platform that enables licensed premises to order alcoholic beverages from eBev's approved catalogue. eBev has over 2,500 licensed premises (buyers) purchasing through its platform on a regular basis. eBev has a catalogue of approximately 70,000 products from 12,000 beverage producers and 800 distributors. eBev's ecosystem and its customers' process \$13.6 billion in B2B and B2C transactions annually.

In December 2023, Spenda entered into a binding MOU with eBev to provide integrated payments solutions across the eBev marketplace, which encapsulates the entire supply chain from the distributor, to licensed premises and through to the end-consumer.

Spenda is integrating its PSBL and AP solutions into the eBev platform across the hospitality supply chain. eBev and Spenda will supply licensed premises with merchant services that enable them to take B2C payments via both physical and virtual terminals, as well as e-invoicing services and payment services. In addition, licensed premises will, subject to credit approval, have access to virtual credit cards, which will enable them to purchase goods from the eBev platform on standard statement terms, via PSBL.

### Spenda's Land and Expand Growth Strategy

Across all partnerships, Spenda is focused on a 'land and expand' strategy whereby Spenda starts with an initial project (at the Aggregator level, being the Buying Group or Franchisor) to build trust and credibility and then moves into a long-term relationship to implement digital transformation across the client's network, encapsulating their entire supply chain from consumer to manufacturer, as depicted below.

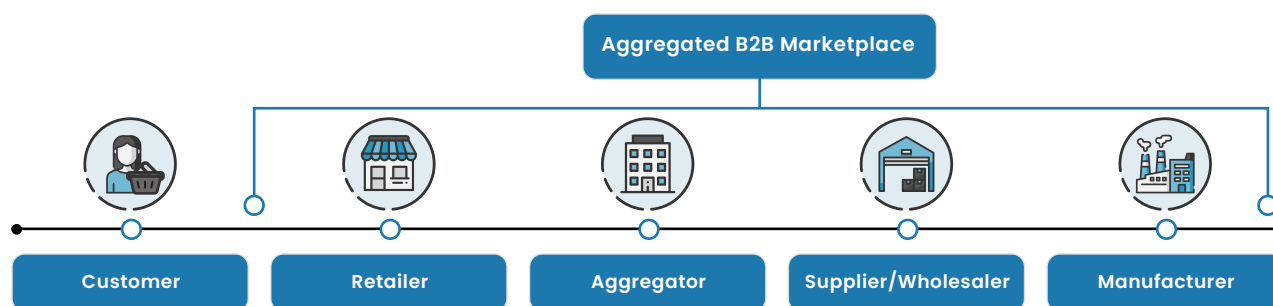


Figure 1: Spenda's Land and Expand Model

Spenda's strategy is to disintermediate supply chains and aggregator networks with an ecosystem that solves problems throughout the whole supply chain or network. This strategy reduces competitive threats by embedding essential infrastructure throughout the whole supply chain, building sustainable recurring revenue over the long-term and generating positive Return on Investment ("ROI") for the client through improved operational efficiency.

Spenda's business model is to offer bundled solutions across the network and generate revenue from a combination of SaaS, payments and lending across different products.

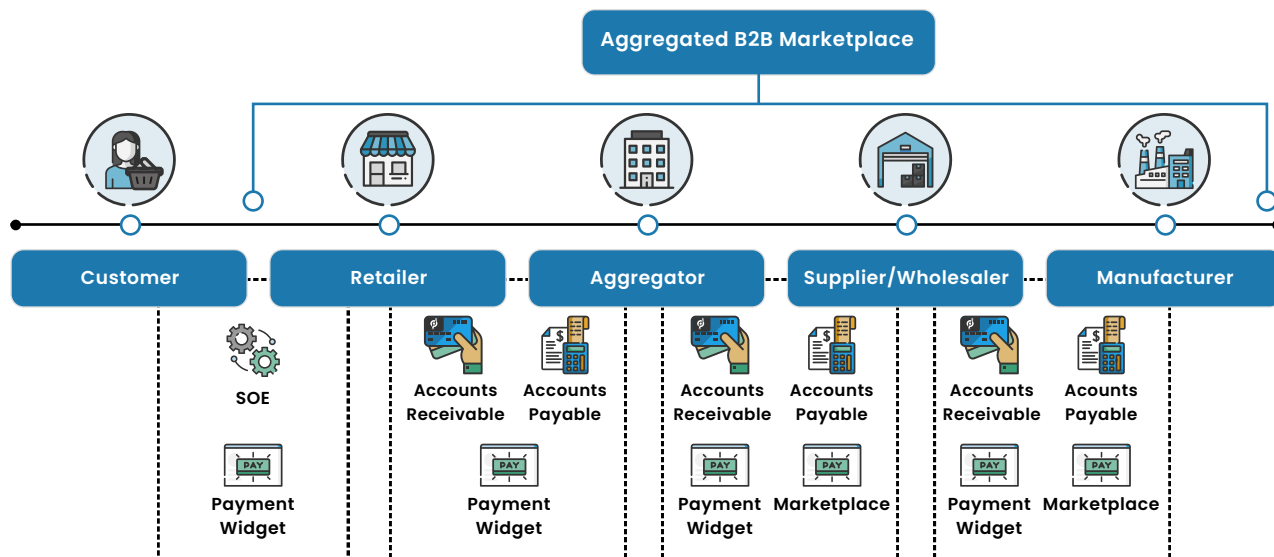


Figure 2: Spenda’s products through the supply chain or network

**Spenda has bundled solutions for:**

- Network engagement – e-Invoicing, dispute management, B2B payments;
- Demand side engagement – SOE and B2C payments; and
- Supply side engagement – Procurement and Early Settlement Discounts (“ESD”).

Early evidence of the successful execution of this strategy can be seen in the significant increase in payment volume running through the Spenda platform over the past two financial years.

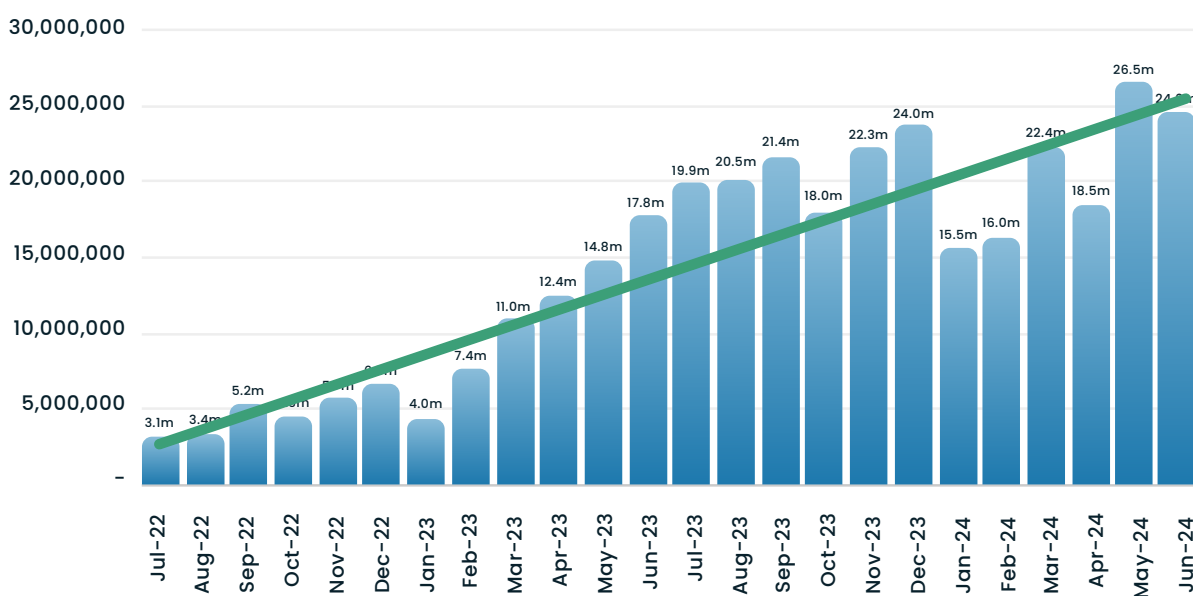


Figure 3: Payments volumes on Spenda platform over past two financial years

Total payment volume on Spenda’s platform was up 160% on pcp, from \$96m in FY23 to \$250m in FY24, primarily due to increased volumes through the Carpet Court network.

## Directors report (continued)

### Significant changes in the state of affairs

Other than as referred to elsewhere in this report, there have been no other significant changes in the state of affairs.

### Matters subsequent to the end of the financial year

On 16 July 2024, the Company announced it had signed a binding Share Sale Agreement ("SSA") to acquire 100% of the issued capital of Limepay Pty Ltd ("Limepay"), for up to \$8m, in an all-script transaction.

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

Completion of the SSA is subject to and conditional on the satisfaction of various Conditions Precedent, which include:

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

As announced on 16 August 2024, the Company will hold a General Meeting on 17 September 2024.

### Likely developments and expected results

The likely developments in the economic entity's operations, to the extent that such matters can be commented upon are covered in the Review and Results of Operations.

### Environmental regulation

The Group is currently not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### Key Business Risks & Challenges

The Group effectively manages risks and will continue to strengthen and invest in risk resources and capability to proactively identify and manage risks as operations expand. The principal risks and business challenges for the Group include:

1. Loss or failure to attract or retain key management personnel.
  - Risks associated with a challenging employment market and the Group's ability to attract new talent and retain existing talent with a tightening labour market.
2. Ability for the Group to continue to drive customer and merchant growth.
  - Ability to increase transaction volume, merchant and customer numbers;
  - Increased competition and new sector entrants;
  - Ability for the Group's technology to integrate with third party platform's; and
  - Risks associated with macro-economic factors.



## **Directors report (continued)**

### 3. Risks related to technology infrastructure and intellectual property.

- Failures or disruptions to technology systems;
- Third party banking or processing performance;
- Exposure to security breaches and data protection issues; and
- Risks of superseded technology by market competitors.

### 4. Credit risk, fraud and other related risks.

- Risk of customers not repaying their loans as they become due;
- Risk of fraud, both internal and external;
- Risk of merchants unable to fulfil delivery of goods; and
- Risk of merchants/customers business failures resultant projected revenue shortfall.

### 5. Access to funding to support growth.

- Access to sufficient equity funding sources; and
- Access to sufficient debt funding sources.

### 6. Risks associated with compliance and changes to regulatory environment that may impact the Group's operations.

- Changes to payment system regulations;
- Anti-Money Laundering/Know Your Customer ("AML/KYC") laws;
- Privacy laws; and
- Financial product regulations.

## Directors report (continued)

### Information on directors

**Name:** Peter Richards  
**Title:** Non-Executive Chairman  
**Qualifications:** B Com from University of Western Australia  
**Experience and expertise:** Peter is an experienced independent director with over 40 years of international business experience with global companies including British Petroleum, Wesfarmers Limited, Dyno Nobel Limited and Norfolk Holdings Limited. During his time at Dyno Nobel, he held several senior positions within the North American and Asia Pacific businesses, before being appointed as Chief Executive Officer based in Australia (2005 to 2008).  
**Other current directorships:** Chairman of GrainCorp Limited (ASX: GNC)  
**Former directorships (last 3 years):** Elmore Limited (retired December 2021) (ASX: EML)  
Emeco Limited (retired 31 May 2024) (ASX: EHL)  
**Special responsibilities:** Chairman of the Board and Member of the Remuneration Committee  
**Interests in shares:** 54,956,121  
**Interests in options:** 74,333,333

**Name:** Adrian Floate  
**Title:** Managing Director and Chief Executive Officer  
**Qualifications:** B Com from Curtin University  
**Experience and expertise:** Adrian is an IT innovator who has been building software for more than 20 years. He has founded, built, and sold several technology businesses and worked in Asia, Australia, the UK and US. Adrian has both private and public company experience at an executive level. He is a business strategist that looks to overcome complex problems with software automation solutions. Adrian has worked in supply chain management systems since 1997 and has experience in manufacturing, wholesale distribution, retail and eCommerce.  
  
Adrian's career includes designing and developing Bunning's BITS system EDI over IP network, the development and commercialisation of Australia's first SET payments gateway, the development and commercialisation of a Windows Mobile based email platform that pre-dated the Blackberry equivalent technology, designed the CAPlink EDI network for the automotive industry in conjunction with the Capricorn Society, co-founding the CLANG online car service portal and in more recent times leading the Appstablishment software team to create award-winning mobile App's for business collaboration. He has also been instrumental in providing the online portal to utilise Spenda's conversion software to provide a global online service.  
**Other current directorships:** None  
**Former directorships (last 3 years):** None  
**Special responsibilities:** Managing Director  
**Interests in shares:** 307,110,077  
**Interests in options:** 119,111,111

## Directors report (continued)

### Information on directors (continued)

<b>Name:</b>	<b>Howard Digby</b>
Title:	Non-Executive Director
Qualifications:	Bachelor of Engineering (Hons), Mechanical Major from the University of Western Australia
Experience and expertise:	Howard is a professional business leader with wide ranging international experience across a variety of industries and markets. He has a proven track record in starting and growing businesses. Howard's recent director experience includes exposure to disruptive early-stage technology, Israeli based provision of high security and bandwidth data voice and video communications technology, IT services, including cloud migration and cybersecurity, cloud-based application software in the healthcare sector, and a Silicon Valley based next generation memory technology.
Other current directorships:	Non-Executive Director of Elsie Limited (ASX: ELS) Non-Executive Director of 4DS Limited (ASX: 4DS)
Former directorships (last 3 years):	Non-Executive Chairman of Singular Health Group Ltd (ASX: SHG) Non-Executive Chairman of Vortiv Limited (ASX: VOR) (Resigned on 19 April 2021)
Special responsibilities:	Chairman of the Remuneration Committee
Interests in shares:	17,627,545
Interests in options:	20,555,555

<b>Name:</b>	<b>Stephen Dale</b>
Title:	Non-Executive Director
Experience and expertise:	Stephen has successfully started, developed, managed and sold businesses across diverse sectors including telecommunications, logistics, retail furniture and equestrian ventures. Since 2003 he was a Board member of Saddleworld Australia, a franchised retail group, having served as chairman or deputy chairman for 15 years. He also served as a founding member of the Assumption College Kilmore advisory board for 14 years. His current activities include paddock to plate retail of heritage beef and pork and development of a beef cattle breeding stud.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Remuneration Committee
Interests in shares:	1,694,444
Interests in options:	25,000,000

## Directors report (continued)

### Information on directors (continued)

<b>Name:</b>	<b>David Laird</b>
Title:	Non-Executive Director
Experience and expertise:	David is a seasoned Payments Industry Professional with over 25 years experience in developing and deploying technology to solve complex client problems. As an institutional banker, he developed and implemented solutions for Government and many of Australia's largest companies, extending to commercial, legal and technical negotiations. He is a foundation member and shareholder in Fintech company Datamesh Group Pty Ltd and has had senior customer facing roles at ANZ and the Commonwealth Bank of Australia.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Remuneration Committee
Interests in shares:	Nil
Interests in options:	10,000,000

<b>Name:</b>	<b>Andrew Kearnan</b>
Title:	Non-Executive Director
Experience and expertise:	Andrew has held senior, executive or non-executive director positions at leading financial service sector and investment market businesses such as Bank of America, Merrill Lynch, Commonwealth Bank of Australia, Hollard Insurance and RACQ. He is also a past member of the Australian Accounting Standards Board and a top equity market research analyst during an 18-year investment banking career. He is a graduate of the AICD Company Directors course, has an MBA and an Honours degree in Science.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Remuneration Committee
Interests in shares:	Nil
Interests in options:	Nil

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Other current directorships quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Former directorships (last 3 years) quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

## Directors report (continued)

### Company secretary

Justyn Stedwell has a Bachelor of Business & Commerce (Management and Economics) from Monash University, a Graduate Diploma of Accounting at Deakin University, a Graduate Diploma in Applied Corporate Governance with the Governance Institute of Australia and a Graduate Certificate of Applied Finance with Kaplan Professional.

Justyn has over seventeen years experience acting as a Company Secretary of ASX listed companies in a wide range of industries. He has also acted as a director of several ASX listed companies.

### Meetings of directors

The number of meetings of the Company's Board of Directors (**'the Board'**) and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full board		Remuneration Committee	
	Attended	Held	Attended	Held
Peter Richards <sup>1</sup>	17	17	2	2
Stephen Dale <sup>1</sup>	17	17	2	2
Adrian Floate	17	17	-	-
Howard Digby <sup>1</sup>	16	17	2	2
David Laird <sup>1</sup>	13	13	1	1
Andrew Kearnan <sup>1</sup>	2	2	-	-

<sup>1</sup> Members of the Remuneration Committee

## Remuneration report (audited)

The Directors present the Group's Remuneration Report for the financial year ended 30 June 2024 ('FY24 Report').

The FY24 Report has been prepared in accordance with the disclosure requirement of the Corporations Act 2001 (Cth), the regulations made under the Act and Australian Accounting Standard AASB 124: Related Party Disclosures and outlines the remuneration arrangements for the Key Management Personnel ('KMP') of the Group during FY24. KMP are those persons who directly or indirectly had authority and responsibility for planning, directing and controlling the Group's activities during the reporting period.

### The Report contains the following sections:

- a. KMP covered in this report
- b. Remuneration policy and link to performance
- c. Elements of executive remuneration
- d. Link between executive remuneration and performance
- e. Overview of non-executive director remuneration
- f. Remuneration expenses for KMP
- g. Contractual arrangement with KMP
- h. Use of remuneration consultants
- i. Voting and comments made at the Company's 2023 Annual General Meeting

### a. KMP covered in this report

Name	Position	Term as KMP
<b>Non-Executive Directors</b>		
Peter Richards	Non-Executive Chairman	Full financial year
Howard Digby	Non-Executive Director	Full financial year
Stephen Dale	Non-Executive Director	Full financial year
David Laird	Non-Executive Director	From 27 September 2023
Andrew Kearnan	Non-Executive Director	From 29 May 2024
<b>Executive Directors</b>		
Mr Adrian Floate	Chief Executive Officer and Managing Director	Full financial year
<b>Executives</b>		
Richard Jarvis	Chief Financial Officer	Full financial year
David Wood	Chief Product Officer	Full financial year
Andy Hilton	Chief Commercial Officer	Full financial year
Olivia Johnson	Chief Revenue Officer	From 1 August 2023 to 30 June 2024
Corrie Hassan	Chief Operations Officer	From 1 August 2023

### b. Remuneration policy and link to performance

#### Remuneration Policy

The remuneration of all Executives and Non-Executive Directors, Officers and Employees of the Group is determined by the Board.

The Group is committed to remunerating Senior Executives and Executive Directors in a manner that is market-competitive and consistent with best practice, including in the interests of shareholders. From time to time, the Board may engage external remuneration consultants to assist with this review.

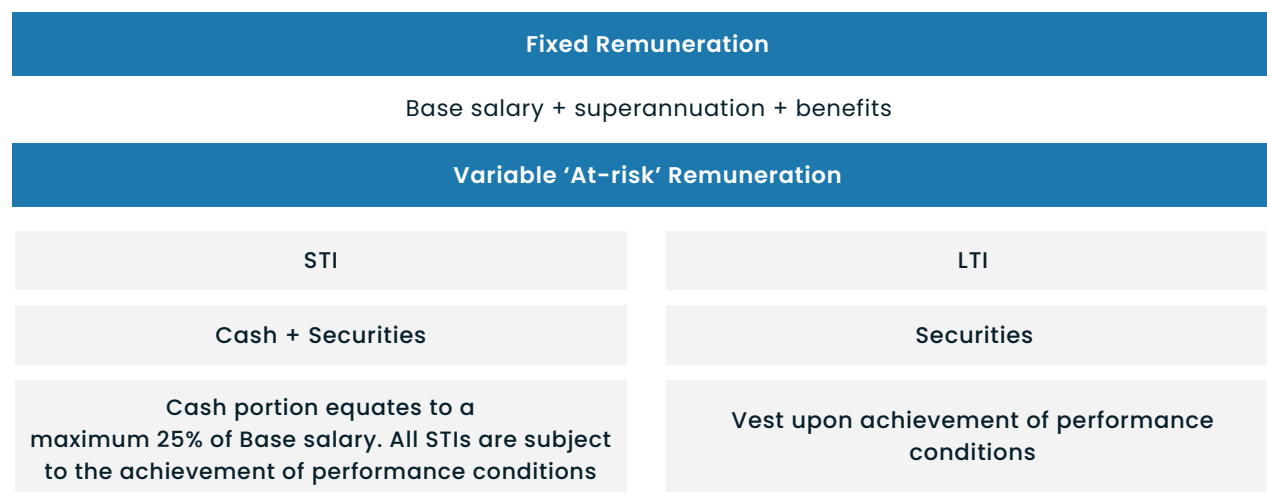
## Directors report (continued)

### Executive Remuneration policies and framework

The Group rewards Executives with a level and mix of remuneration appropriate to their position, responsibilities and performance, in a way that aligns with the business strategy. Executives receive fixed remuneration and variable remuneration consisting of short-term incentive ('STI') and long-term incentive ('LTI') opportunities.

The chart below provides a summary of the structure of executive remuneration in FY24:

### Structure of Executive Remuneration FY24



### c. Elements of executive remuneration

#### Fixed remuneration

Executives may receive their fixed remuneration as cash. Fixed remuneration is reviewed annually or on promotion. It is benchmarked against market data for comparable roles in companies in a similar industry and with similar market capitalisation. The Board aims to position Executives at or near the median, with flexibility to take into account capability, experience, and value to the Group and performance of the individual. Superannuation is included in fixed remuneration.

#### Short-term incentives

The purpose of a short-term performance-based incentives are to reward individuals and teams based on performance in line with Group's objectives. Consequently, performance-based remuneration is paid to an individual where the individual's performance clearly contributes to a successful outcome for the Group. This is regularly measured by Key Performance Indicators ('KPIs').

#### Long-term incentives

Similarly, the purpose of a long-term performance-based incentives are to reward individuals and teams based on performance in line with Group's vision. Consequently, performance-based remuneration is paid to an individual where the individual's performance clearly contributes to a successful trend for the Group.

## Directors report (continued)

The Group uses several KPIs to determine achievement, depending on the role of the Executive being assessed. These include activities relating to:

- successful acquisitions of synergistic businesses;
- successful contract negotiation and execution;
- growth in revenue;
- successful achievement of project milestones within budget and on time; and
- successful achievement of software launch milestones.

### Incentive Plans

The Company established an Employee Securities Incentive Plan ('ESIP'), that was approved by shareholders at the Company's general meeting held on 20 May 2021. The ESIP is designed to assist the Group to attract and retain key staff, whether employees or contractors. The Board believes that grants made to eligible participants under the plan will provide a powerful tool to underpin the Group's employment and engagement strategy. The key terms of the ESIP are outlined below:

- **Eligibility**  
The ESIP is open to all employees of the Group, or other person (eligible employees) declared by the Board to be eligible.
- **Instrument**  
Grant of securities under the ESIP may comprise of ordinary shares of the Company, options (listed or unlisted), performance rights or other convertible security.
- **Terms and conditions applicable to an offer under the ESIP**  
The Board has absolute discretion to determine the terms and conditions applicable to an offer under the ESIP including:
  - any conditions to be satisfied before a securities will be granted;
  - any vesting, performance or other conditions required to be satisfied before securities vest and/or may be exercised;
  - securities exercise period;
  - any applicable issue price or exercise price; and
  - the closing date and expiry date.
- **Forfeiture and termination**  
Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.



#### d. Link between executive remuneration and performance

##### Statutory performance indicators

The Group aims to align the Executive remuneration to the strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Group's financial performance over the last five years, as required by the *Corporations Act 2001*.

Company Performance	2024	2023	2022	2021	2020
Revenue (\$)	5,375,010	3,111,513	2,245,971	877,777	341,332
Net loss before tax (\$)	(13,156,860)	(10,995,506)	(54,960,717)	(11,412,797)	(7,437,947)
Net loss after tax (\$)	(13,205,019)	(11,002,914)	(50,241,209)	(11,412,797)	(7,437,947)
Key management remuneration (\$)	(3,363,198)	(2,858,738)	(2,928,043)	(4,688,076)	(558,426)
Share price at the end of year (\$)	0.008	0.008	0.009	0.05	0.01
	-	-	-	-	-
	(0.33)	(0.34)	(1.62)	(0.65)	(1.01)
	(0.33)	(0.34)	(1.62)	(0.65)	(1.01)

#### e. Overview of non-executive director remuneration

Non-Executive Directors are remunerated out of the maximum aggregated amount approved by shareholders and at a level that is consistent with industry standards. In determining non-executive fees, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Group to attract and retain key talent;
- aligned to the Group's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood; and
- acceptable to shareholders.

The maximum annual Non-Executive Directors fee pool limit is \$500,000, which was approved by shareholders at the Company's Annual General Meeting, held on 31 January 2022.

The table below summarises the maximum Board fees payable to Non-Executive Directors, effective from 1 November 2021 (exclusive of superannuation, where applicable):

Board fees	\$
Chairman	60,000
Non-Executive Directors	60,000
Chairman of Remuneration Committee	10,000

All Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of director. Non-Executive Directors may be reimbursed for expenses reasonably incurred in attending to the Group's affairs. Non-Executive Directors may receive performance-based bonuses but not retirement allowances. Prior shareholder approval is required to participate in any issue of equity.

Directors report (continued)

f. Remuneration expenses for KMP

The following table sets out the details of the remuneration of the Directors and the KMP of the Group for the financial year ended 30 June 2024.

KMP	Salary & Fees settled in cash or accrued		Salary & Fees settled in equity		Post-employment benefits		Fixed Remuneration		Variable Remuneration			% Linked to Performance	
	\$	\$	\$	\$	\$	\$	Other	Sub Total	Cash Bonus	Share-based payments	Total		\$
<b>Non-Executive Directors</b>													
Peter Richards	67,500	-	-	7,425	-	-	-	74,925	-	265,369	340,294	-	
Stephen Dale	60,000	-	-	6,600	-	-	-	66,600	-	92,988	159,588	-	
Howard Digby	77,496	-	-	8,525	-	-	-	86,021	-	74,250	160,271	-	
David Laird <sup>1</sup>	37,917	-	-	4,171	-	-	-	42,088	-	34,370	76,458	-	
Andrew Kearnan <sup>1</sup>	5,692	-	-	626	-	-	-	6,318	-	-	6,318	-	
<b>Executive Directors</b>													
Adrian Floate	308,334	-	-	27,198	-	-	-	335,532	45,000	303,122	683,654	51%	
<b>Executive Management</b>													
Richard Jarvis	250,001	-	-	31,177	-	-	-	281,178	76,796	115,657	473,631	41%	
David Wood	199,750	-	-	28,870	-	-	-	228,620	78,123	102,941	409,684	44%	
Andrew Hilton	216,438	-	-	23,909	-	-	-	240,347	15,481	53,441	309,269	22%	
Olivia Johnson <sup>2</sup>	195,417	-	-	24,223	-	-	-	219,640	69,941	69,872	359,453	39%	
Corrie Hassan	197,917	-	-	24,699	-	-	-	222,616	78,067	83,895	384,578	42%	
<b>TOTAL</b>	<b>1,616,462</b>	<b>-</b>	<b>-</b>	<b>187,423</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,803,885</b>	<b>363,408</b>	<b>1,195,905</b>	<b>3,363,198</b>		

<sup>1</sup> David Laird and Andrew Kearnan were appointed on 27 September 2023 and 29 May 2024 respectively.

<sup>2</sup> Olivia Johnson was appointed KMP on 1 August 2023.

Directors report (continued)

f. Remuneration expenses for KMP

The following table sets out the details of the remuneration of the Directors and the KMP of the Group for the financial year ended 30 June 2023.

KMP	Salary & Fees settled in cash or accrued		Salary & Fees settled in equity		Fixed Remuneration		Variable Remuneration			% Linked to Performance	
	\$	\$	\$	\$	Post-employment benefits	Other	Sub Total	Cash Bonus	Share-based payments		Total
<b>Non-Executive Directors</b>											
Peter Richards	17,472	30,863		6,300	-	-	54,635	-	358,926	413,561	-
Howard Digby	60,000	-		6,300	-	-	66,300	-	89,729	156,029	-
Stephen Dale	45,476	17,796		7,350	-	-	70,622	-	89,729	160,351	-
<b>Executive Directors</b>											
Adrian Floate	107,176	146,668		25,292	-	-	279,136	120,000	74,500	473,636	25%
<b>Executive Management</b>											
Richard Jarvis	88,188	155,071		28,350	-	-	271,609	20,000	185,810	477,419	4%
David Wood	70,246	129,625		22,099	-	-	221,970	20,000	166,560	408,530	5%
Andrew Hilton	115,426	129,625		25,292	-	-	270,343	20,000	166,560	456,903	4%
Corrie Hassan	179,600	-		20,104	-	-	199,704	20,000	92,605	312,309	6%
<b>TOTAL</b>	<b>683,584</b>	<b>609,648</b>		<b>141,087</b>	<b>-</b>	<b>-</b>	<b>1,434,319</b>	<b>200,000</b>	<b>1,224,419</b>	<b>2,858,738</b>	

## Directors report (continued)

### Other transactions with key management personnel and their related parties

Remuneration for certain individuals is directly linked to performance of the consolidated entity. The bonus is set at the discretion of the Remuneration Committee. The amount of bonus is determined having regard to the satisfaction of performance measures and weightings. The maximum bonus value is established at the start of each financial year and amounts payable are determined by the remuneration committee.

The Remuneration Committee is of the opinion that the continued improved results can be attributed in part to the adoption of performance-based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

The proportion of cash bonus paid/payable or forfeited is as follows:

KMP	Bonus Payable			
	Bonus Payable/Paid 2024	Bonus Forfeited 2024	Bonus Payable/Paid 2023	Bonus Forfeited 2023
<b>Executive Director</b>				
Adrian Floate	45%	55%	60%	40%
<b>Executive Management</b>				
Richard Jarvis	53%	47%	27%	73%
David Wood	53%	47%	40%	60%
Andrew Hilton	15%	85%	40%	60%
Olivia Johnson	45%	55%	n/a	n/a
Corrie Hassan	53%	47%	40%	60%

### Other transactions with key management personnel and their related parties

The proportion of equity bonus paid/payable or forfeited is as follows:

KMP	Bonus Payable			
	Bonus Payable/Paid 2024	Bonus Forfeited 2024	Bonus Payable/Paid 2023	Bonus Forfeited 2023
<b>Executive Director</b>				
Adrian Floate	15%	85%	40%	60%
<b>Executive Management</b>				
Richard Jarvis	45%	55%	40%	60%
David Wood	47%	53%	40%	60%
Andrew Hilton	11%	89%	40%	60%
Olivia Johnson	41%	59%	n/a	n/a
Corrie Hassan	47%	53%	40%	60%

## Directors report (continued)

### KMP interests in Spenda Limited shares and options

The tables below detail the movements in the number of options and ordinary shares held by KMP during FY24 and the comparative year FY23.

#### FY24 Options

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year	Balance at the date of this report
	No	No	No	No	No	No
<b>Directors:</b>						
Peter Richards	46,659,131	26,000,000	8,333,333	(6,659,131)	74,333,333	74,333,333
Stephen Dale	10,375,000	15,000,000	-	(375,000)	25,000,000	25,000,000
Adrian Floate	29,954,000	108,000,000	11,111,111	(29,954,000)	119,111,111	119,111,111
Howard Digby	17,091,666	10,000,000	555,555	(7,091,666)	20,555,555	20,555,555
David Laird	-	10,000,000	-	-	10,000,000	10,000,000
Andrew Kearnan	-	-	-	-	-	-
<b>Executives:</b>						
Richard Jarvis	51,000,000	3,000,000	2,777,778	(16,000,000)	40,777,778	40,777,778
David Wood	48,973,565	-	-	(13,973,565)	35,000,000	35,000,000
Andrew Hilton	48,500,000	-	-	(13,500,000)	35,000,000	35,000,000
Olivia Johnson	-	-	16,765,000 <sup>1</sup>	(4,265,000)	12,500,000	12,500,000
Corrie Hassan	20,000,000	-	-	-	20,000,000	20,000,000
<b>Total</b>	<b>272,553,362</b>	<b>172,000,000</b>	<b>39,542,777</b>	<b>(91,818,362)</b>	<b>392,277,777</b>	<b>392,277,777</b>

<sup>1</sup> Opening balance on Ms Olivia Johnson appointment as KMP on 1 August 2023.

#### FY23 Options

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
	No	No	No	No	No
<b>Directors:</b>					
Peter Richards	46,659,131	-	-	-	46,659,131
Stephen Dale	10,375,000	-	-	-	10,375,000
Adrian Floate	21,204,000	8,750,000	-	-	29,954,000
Howard Digby	17,091,666	-	-	-	17,091,666
<b>Executives:</b>					
Richard Jarvis	43,000,000	8,000,000	-	-	51,000,000
David Wood	43,392,110	6,750,000	-	(1,168,545)	48,973,565
Andrew Hilton	41,750,000	6,750,000	-	-	48,500,000
Corrie Hassan	20,000,000	-	-	-	20,000,000
<b>Total</b>	<b>243,471,907</b>	<b>30,250,000</b>	<b>-</b>	<b>(1,168,545)</b>	<b>272,553,362</b>

## Directors report (continued)

### FY24 Ordinary Shares

	Balance at the start of the year	Received as part of remuneration/ debt settlement	Additions	Disposals/ other	Balance at the end of the year	Balance at the date of this report
	No	No	No	No	No	No
<b>Directors:</b>						
Peter Richards	38,289,454	-	16,666,667	-	54,956,121	54,956,121
Stephen Dale	1,694,444	-	-	-	1,694,444	1,694,444
Adrian Floate	307,110,077	2,250,000	22,222,222	(24,472,222)	307,110,077	307,110,077
Howard Digby	16,516,434	-	1,111,111	-	17,627,545	17,627,545
David Laird	-	-	-	-	-	-
Andrew Kearnan	-	-	-	-	-	-
<b>Executives:</b>						
Richard Jarvis	41,502,904	4,500,000	-	(2,002,904)	44,000,000	44,000,000
David Wood	103,625,090	4,687,500	3,400,000	(5,600,000)	106,112,590	106,112,590
Andrew Hilton	63,120,452	1,125,000	-	-	64,245,452	64,245,452
Olivia Johnson	6,079,320 <sup>1</sup>	4,125,000	-	(3,500,000)	6,704,320	6,704,320
Corrie Hassan	21,452,966	4,687,500	-	-	26,140,466	26,140,466
<b>Total</b>	<b>599,391,141</b>	<b>21,375,000</b>	<b>43,400,000</b>	<b>(35,575,126)</b>	<b>628,591,015</b>	<b>628,591,015</b>

<sup>1</sup> Opening balance on Ms Olivia Johnson as at 1 July 2023. Ms Johnson was appointment as a KMP on 1 August 2023.

### FY23 Ordinary Shares

	Balance at the start of the year	Received as part of remuneration/ debt settlement	Additions	Disposals/ other	Balance at the end of the year
	No	No	No	No	No
<b>Directors:</b>					
Peter Richards	29,815,099	5,416,145	3,058,210	-	38,289,454
Stephen Dale	1,694,444	-	-	-	1,694,444
Adrian Floate	285,671,360	21,438,717	-	-	307,110,077
Howard Digby	12,095,238	4,421,196	-	-	16,516,434
<b>Executives:</b>					
Richard Jarvis	25,766,933	10,180,415	5,555,556	-	41,502,904
David Wood	106,319,184	8,166,260	-	(10,860,354)	103,625,090
Andrew Hilton	53,324,629	8,166,260	1,629,563	-	63,120,452
Corrie Hassan	18,452,966	3,000,000	-	-	21,452,966
<b>Total</b>	<b>533,139,853</b>	<b>60,788,993</b>	<b>10,243,329</b>	<b>(10,860,354)</b>	<b>593,311,821</b>

## Directors report (continued)

Terms and conditions of listed and unlisted options granted over ordinary shares during the financial year impacting remuneration:

2024 Name	Number of Options Granted	Grant Date	Vested and exercisable	Fair Value \$	Exercise Price	Expiry Date	Fair Value per Option
<b>Directors:</b>							
Peter Richards	26,000,000	7 Nov 2023	11,000,000	160,853	\$0.0175	15 Jun 2027	\$0.006
Howard Digby	10,000,000	7 Nov 2023	2,500,000	61,867	\$0.0175	15 Jun 2027	\$0.006
Stephen Dale	10,000,000	7 Nov 2023	2,500,000	61,867	\$0.0175	15 Jun 2027	\$0.006
David Laird	10,000,000	7 Nov 2023	2,500,000	61,867	\$0.0175	15 Jun 2027	\$0.006
Stephen Dale	5,000,000	7 Nov 2023	1,250,000	26,454	\$0.045	3 Nov 2027	\$0.005
Adrian Floate	8,000,000	7 Nov 2023	8,000,000	49,453	\$0.0175	3 Nov 2027	\$0.006
Adrian Floate	100,000,000	7 Nov 2023	25,000,000	420,081	\$0.10	15 Jun 2027	\$0.004
<b>Executives:</b>							
Richard Jarvis	3,000,000	1 Sep 2023	3,000,000	14,216	\$0.0175	15 Jun 2027	\$0.005
<b>Total</b>	<b>172,000,000</b>		<b>55,750,000</b>	<b>856,658</b>			

Service criteria of all unlisted options issued in FY24 have service criteria that must be met in order for these options to vest.

The service criteria are summarised below:

Name	Number of Options	Service Conditions
<b>Directors:</b>		
Peter Richards	26,000,000	11m vest immediately, 5m vest after 1 year, 2 years and 3 years.
Howard Digby	10,000,000	2.5m vest immediately, 2.5m vest after 1 year, 2 years and 3 years.
Stephen Dale	10,000,000	2.5m vest immediately, 2.5m vest after 1 year, 2 years and 3 years.
David Laird	10,000,000	2.5m vest immediately, 2.5m vest after 1 year, 2 years and 3 years.
Stephen Dale	5,000,000	1.25m vest immediately, 1.25m vest after 1 year, 2 years and 3 years.
Adrian Floate	8,000,000	No service conditions, vest immediately.
Adrian Floate	100,000,000	25m vest immediately, 25m vest after 1 year, 2 years and 3 years.
<b>Executives:</b>		
Richard Jarvis	3,000,000	No service conditions apply, vest immediately.

## Directors report (continued)

2023 Name	Number of Options Granted	Grant Date	Vested and exercisable	Fair Value \$	Exercise Price	Expiry Date	Fair Value per Option
<b>Directors:</b>							
Adrian Floate	8,750,000	27 September 2022	8,750,000	17,500	\$0.025	28 July 2023	\$0.002
<b>Executives:</b>							
Richard Jarvis	8,000,000	27 September 2022	8,000,000	40,000	\$0.025	28 July 2023	\$0.005
David Wood	6,750,000	27 September 2022	6,750,000	33,750	\$0.025	28 July 2023	\$0.005
Andrew Hilton	6,750,000	27 September 2022	6,750,000	33,750	\$0.025	28 July 2023	\$0.005
<b>Total</b>	<b>30,250,000</b>		<b>30,250,000</b>	<b>125,000</b>			

Service criteria of all unlisted options issued in FY23 have service criteria that must be met in order for these options to vest.

The service criteria are summarised below:

Name	Number of Options	Service Conditions
<b>Directors:</b>		
Adrian Floate	8,750,000	No service conditions apply, vest immediately.
<b>Executives:</b>		
Richard Jarvis	8,000,000	No service conditions apply, vest immediately.
Andrew Hilton	6,750,000	No service conditions apply, vest immediately.
David Wood	6,750,000	No service conditions apply, vest immediately.

### g. Contractual arrangement with KMPs

The following directors and KMP were under contract for the financial year ended 30 June 2024.

<b>Name:</b>	<b>Peter Richards</b>
Title:	Non-Executive Chairman
Commencement date:	13 December 2017
Details:	Director's fee of \$60,000 per annum
Duration:	No fixed term
Notice period:	2 months

<b>Name:</b>	<b>Adrian Floate</b>
Title:	Managing Director and Chief Executive officer
Commencement date:	21 September 2018
Details:	Base salary was increased on 1 March 2024 from \$275,000 to \$375,000 plus superannuation, to be reviewed annually by the Remuneration Committee. Short-term and long-term incentives that include cash and equity components, payable on the achievement of specific performance milestones. Non-solicitation and non-compete clauses
Duration:	5 years
Notice period:	2 months



## Directors report (continued)

### g. Contractual arrangement with KMPs (continued)

The following directors and KMP were under contract for the financial year ended 30 June 2024.

**Name:** Howard Digby  
**Title:** Non-Executive Director  
**Commencement date:** 1 August 2019  
**Details:** Director's fee of \$60,000 per annum plus superannuation  
Fee of \$10,000 per annum plus superannuation, as Chairman of the Remuneration Committee  
**Duration:** No fixed term  
**Notice period:** 2 months

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**Name:** Stephen Dale  
**Title:** Non-Executive Director  
**Commencement date:** 5 April 2014  
**Details:** Director's fee of \$60,000 per annum plus superannuation  
**Duration:** No fixed term  
**Notice period:** 2 months

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**Name:** David Laird  
**Title:** Non-Executive Director  
**Commencement date:** 27 September 2023  
**Details:** Director's fee of \$50,000 per annum plus superannuation  
**Duration:** No fixed term  
**Notice period:** 2 months

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**Name:** Andrew Kearnan  
**Title:** Non-Executive Director  
**Commencement date:** 29 May 2024  
**Details:** Director's fee of \$60,000 per annum plus superannuation  
**Duration:** No fixed term  
**Notice period:** 2 months

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**Name:** Richard Jarvis  
**Title:** Chief Financial Officer  
**Commencement date:** 1 July 2021  
**Details:** Base salary for the year ended 30 June 2024 of \$250,000 plus superannuation, to be reviewed annually by the Remuneration Committee. Short term and long-term incentives that include cash and equity components, payable on the achievement of specific performance milestones. Non-solicitation and non-compete clauses  
**Duration:** No fixed term  
**Notice period:** 1 week for not more than 1 year of service, 2 weeks for not more than 3 years, 3 weeks for not more than 5 years and 4 weeks for more than 5 years

## Directors report (continued)

### g. Contractual arrangement with KMPs (continued)

**Name:** David Wood  
**Title:** Chief Product Officer  
**Commencement date:** 21 May 2021  
**Details:** Base salary for the year ended 30 June 2024 of \$200,000 plus superannuation, to be reviewed annually by the Remuneration Committee. Short term and long-term incentives that include cash and equity components, payable on the achievement of specific performance milestones. Non-solicitation and non-compete clauses  
**Duration:** No fixed term  
**Notice period:** 1 week for not more than 1 year of service, 2 weeks for not more than 3 years, 3 weeks for not more than 5 years and 4 weeks for more than 5 years

**Name:** Andrew Hilton  
**Title:** Chief Commercial Officer  
**Commencement date:** 26 July 2021  
**Details:** Base salary for the year ended 30 June 2024 of \$200,000 plus superannuation, to be reviewed annually by the Remuneration Committee. Short term and long-term incentives that include cash and equity components, payable on the achievement of specific performance milestones. Non-solicitation and non-compete clauses  
**Duration:** No fixed term  
**Notice period:** 1 week for not more than 1 year of service, 2 weeks for not more than 3 years, 3 weeks for not more than 5 years and 4 weeks for more than 5 years

**Name:** Olivia Johnson  
**Title:** Chief Revenue Officer  
**Commencement date:** 1 August 2023 to 30 June 2024  
**Details:** Base salary for the year ended 30 June 2024 of \$200,000 plus superannuation, to be reviewed annually by the Remuneration Committee. Short term and long-term incentives that include cash and equity components, payable on the achievement of specific performance milestones. Non-solicitation and non-compete clauses  
**Duration:** No fixed term  
**Notice period:** 1 week for not more than 1 year of service, 2 weeks for not more than 3 years, 3 weeks for not more than 5 years and 4 weeks for more than 5 years

**Name:** Corrie Hassan  
**Title:** Chief Operations Officer  
**Commencement date:** 26 July 2021  
**Details:** Base salary for the year ended 30 June 2024 of \$200,000 plus superannuation, to be reviewed annually by the Remuneration Committee. Short term and long-term incentives that include cash and equity components, payable on the achievement of specific performance milestones. Non-solicitation and non-compete clauses  
**Duration:** No fixed term  
**Notice period:** 1 week for not more than 1 year of service, 2 weeks for not more than 3 years, 3 weeks for not more than 5 years and 4 weeks for more than 5 years

### h. Use of remuneration consultants

The Group did not engage the services of a remuneration consultant during the current financial year.

### i. Voting and comments made at the Company's 2023 Annual General Meeting

All resolutions passed at the Annual General Meeting held on 3 November 2023.

## End of Remuneration Report (Audited)

## Directors report (continued)

### Shares under option

Unissued ordinary shares of Spenda Limited under option at the date of this report are as follows:

Grant date	Expiry Date	Exercise Price	Number under Option	Vested & Exercisable
<i>Unlisted Options</i>				
2 March 2022	25 Feb 2026	\$0.084	60,000,000	45,000,000
30 June 2022	15 Jun 2027	\$0.0175	151,500,000	116,000,000
30 June 2022	15 Jun 2025	\$0.0175	8,925,000	8,925,000
15 August 2022	15 August 2025	\$0.042	40,273,698	40,273,698
7 October 2022	15 August 2025	\$0.042	805,474	805,474
11 January 2023	15 August 2025	\$0.042	2,416,422	2,416,422
6 April 2023	15 August 2025	\$0.042	3,221,896	3,221,896
15 May 2023	15 May 2027	\$0.0175	23,500,000	23,500,000
16 May 2023	16 May 2027	\$0.0175	23,600,000	23,600,000
19 June 2023	15 May 2027	\$0.0175	16,000,000	16,000,000
19 June 2023	15 June 2027	\$0.0175	2,000,000	2,000,000
15 August 2023	15 August 2025	\$0.042	2,577,517	2,577,517
1 September 2023	15 June 2027	\$0.0175	6,000,000	6,000,000
18 October 2023	15 August 2025	\$0.042	2,255,327	2,255,327
7 November 2023	15 June 2027	\$0.0175	64,000,000	27,500,000
7 November 2023	3 November 2027	\$0.045	5,000,000	1,250,000
7 November 2023	3 November 2027	\$0.100	100,000,000	25,000,000
15 November 2023	15 November 2026	\$0.020	36,772,326	25,740,628
15 November 2023	15 November 2026	\$0.055	18,363,163	12,854,214
15 November 2023	15 November 2026	\$0.040	18,363,163	12,854,214
<i>Listed Options</i>				
4 August 2023	4 August 2025	\$0.0175	210,344,167	196,666,667
9 December 2023	9 December 2025	\$0.0175	20,000,000	20,000,000
			<b>815,918,153</b>	<b>614,441,057</b>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

### Shares issued on the exercise of options

There were no ordinary shares of Spenda Limited issued during the year ended 30 June 2024 and up to the date of this report on the exercise of options granted.

### Indemnification and Insurance of Directors and Officers

During the financial year, the Company held an insurance policy to indemnify Directors and Officers against certain liabilities incurred as a Director or Officer, including costs and expenses associated in successfully defending legal proceedings. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the Directors or Officers of the Company or any related body corporate against any liability incurred as such a Director or Officer. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy, including the nature of the liability insured against and the amount of premium.

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company against a liability incurred as auditor.

## Directors report (continued)

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### Proceedings on behalf of the Company

No proceedings have been brought or intervened on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

### Corporate Governance

The Company has reviewed its corporate governance practices against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition) and the Company's corporate governance. The Corporate Governance Statement is available at [www.spenda.co](http://www.spenda.co).

### Audit services

During the year the following fees were paid or payable for services provided by the auditor. Non-audit services are detailed in note 26 to the financial statements:

	2024	2023
	\$	\$
<i>HLB Mann Judd</i>		
Audit and review of financial statements	116,183	83,835
Non-audit services (taxation compliance)	20,500	71,150
	<b>136,683</b>	154,985

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services, as disclosed in note 26 of the financial statement, do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

### Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 43.

This report is made in accordance with a resolution of directors.



Adrian Floate  
Managing Director and Chief Executive Officer  
31 August 2024

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the consolidated financial report of Spenda Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

**Perth, Western Australia**  
**29 August 2024**



**D I Buckley**  
**Partner**

**hlb.com.au**

**HLB Mann Judd ABN 22 193 232 714**

A Western Australian Partnership

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**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2024**

		Consolidated	
	Note	30 June 2024	30 June 2023
		\$	\$
<b>Revenue from continuing operations</b>			
Revenue – SaaS and Payments		2,842,535	938,790
Revenue – Loan interest		2,532,475	2,172,723
<b>Total revenue</b>	<b>4a</b>	<b>5,375,010</b>	<b>3,111,513</b>
<b>Other Income</b>	<b>4b</b>	<b>163,702</b>	<b>250,643</b>
<b>Expenses</b>			
Cost of services rendered		(2,246,013)	(1,417,929)
Employee and directors' benefits expense	5a	(5,545,952)	(5,254,173)
Depreciation expense and amortisation charge	5b	(3,662,728)	(3,854,967)
Fair value adjustment on non-current asset	5c/11	(1,725,000)	-
Consulting fees	5d	(692,282)	(251,774)
Legal and other professional fees		(402,659)	(612,011)
Regulatory listing fees		(109,120)	(138,033)
Occupancy expenses		(194,390)	(165,688)
Share-based payment expense	19/20	(1,823,051)	(1,498,960)
Other expenses		(1,476,389)	(910,075)
Finance costs	5e	(817,988)	(254,052)
<b>Loss before income tax from continuing operations</b>		<b>(13,156,860)</b>	<b>(10,995,506)</b>
Income tax expense	6	(48,159)	(7,408)
<b>Loss after income tax for the year</b>		<b>(13,205,019)</b>	<b>(11,002,914)</b>
<b>Loss after income tax for the year attributable to owners of Spenda Limited</b>		<b>(13,205,019)</b>	<b>(11,002,914)</b>
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign subsidiaries		25,153	10,628
<b>Total comprehensive loss for the year attributable to owners of Spenda Limited</b>		<b>(13,179,866)</b>	<b>(10,992,286)</b>
<b>Loss per share for the year ended attributable to the members of Spenda Limited</b>			
- Basic loss per share (cents per share)	7	(0.33)	(0.34)
- Diluted loss per share (cents per share)	7	(0.33)	(0.34)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**Consolidated statement of financial position**  
**As at 30 June 2024**

		Consolidated	
	Note	30 June 2024	30 June 2023
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	9,837,055	8,349,186
Trade and other receivables	9	276,587	199,659
Inventories		40,574	40,574
Other current assets	10	345,766	476,975
Financial assets	11	10,754,227	12,022,652
<b>Total current assets</b>		<b>21,254,209</b>	<b>21,089,046</b>
<b>Non-current assets</b>			
Plant and equipment		65,047	53,934
Trade and other receivables	9	594,526	500,000
Financial assets	11	-	1,025,000
Right-of-use assets	12	418,753	479,194
Intangible assets	14	28,714,816	30,236,786
<b>Total non-current assets</b>		<b>29,793,142</b>	<b>32,294,914</b>
<b>Total assets</b>		<b>51,047,351</b>	<b>53,383,960</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	1,597,418	2,142,425
Lease liabilities	16	106,181	95,528
Financial liabilities	17	154,105	-
Provisions	18	673,562	657,298
<b>Total current liabilities</b>		<b>2,531,266</b>	<b>2,895,251</b>
<b>Non-current liabilities</b>			
Trade and other payables	15	100,000	-
Lease liabilities	16	397,974	453,523
Financial liabilities	17	13,227,141	11,706,755
Provisions	18	286,913	140,405
<b>Total non-current liabilities</b>		<b>14,012,028</b>	<b>12,300,683</b>
<b>Total liabilities</b>		<b>16,543,294</b>	<b>15,195,934</b>
<b>Net assets</b>		<b>34,504,057</b>	<b>38,188,026</b>
<b>Equity</b>			
Issued capital	19	172,960,699	165,030,603
Reserves	20	4,217,547	10,564,142
Accumulated losses		(142,674,189)	(137,406,719)
<b>Total equity</b>		<b>34,504,057</b>	<b>38,188,026</b>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

**Consolidated statement of changes in equity**  
**For the year ended 30 June 2024**

							Consolidated
	Note	Issued capital	Option Premium Reserve	Share Based Payment Reserves	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
		\$	\$	\$	\$	\$	\$
<b>Balance as at 1 July 2022</b>		<b>160,933,168</b>	<b>407,158</b>	<b>8,470,074</b>	<b>(7,591)</b>	<b>(126,403,805)</b>	<b>43,399,004</b>
Loss for the year		-	-	-	-	(11,002,914)	(11,002,914)
Other comprehensive loss		-	-	-	10,628	-	10,628
<b>Total Comprehensive loss for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>10,628</b>	<b>(11,002,914)</b>	<b>(10,992,286)</b>
<b>Transactions with owners in their capacity as owners:</b>							
Issue of share capital	19	4,414,625	-	-	-	-	4,414,625
Transactions costs related to share issue	19	(317,503)	-	-	-	-	(317,503)
Options exercised	20	313	-	-	-	-	313
Share-based payment transactions	20	-	-	1,683,873	-	-	1,683,873
<b>Balance as at 30 June 2023</b>		<b>165,030,603</b>	<b>407,158</b>	<b>10,153,947</b>	<b>3,037</b>	<b>(137,406,719)</b>	<b>38,188,026</b>
<b>Balance as at 1 July 2023</b>		<b>165,030,603</b>	<b>407,158</b>	<b>10,153,947</b>	<b>3,037</b>	<b>(137,406,719)</b>	<b>38,188,026</b>
Loss for the year		-	-	-	-	(13,205,019)	(13,205,019)
Other comprehensive income		-	-	-	25,153	-	25,153
<b>Total Comprehensive loss for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>25,153</b>	<b>(13,205,019)</b>	<b>(13,179,866)</b>
Expired options		-	-	(7,937,549)	-	(7,937,549)	-
<b>Transactions with owners in their capacity as owners:</b>							
Issue of share capital	19	7,977,321	-	-	-	-	7,977,321
Transactions costs related to share issue	19	(47,225)	-	-	-	-	(47,225)
Share-based payment transactions	20	-	-	1,565,801	-	-	1,565,801
<b>Balance as at 30 June 2024</b>		<b>172,960,699</b>	<b>407,158</b>	<b>3,782,199</b>	<b>28,190</b>	<b>(142,674,189)</b>	<b>34,504,057</b>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

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**Consolidated statement of cash flows**  
**For the year ended 30 June 2024**

		Consolidated	
	Note	30 June 2024	30 June 2023
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		5,385,006	3,538,061
Payments to suppliers and employees (inclusive of GST)		(9,874,272)	(6,611,569)
Interest received		141,101	79,999
Interest and other finance costs paid		(1,473,613)	(873,625)
Income taxes paid		(28,768)	(67,411)
Proceeds from government grants and tax incentives		-	1,608,099
<b>Net cash used in operating activities</b>	24c	<b>(5,850,546)</b>	<b>(2,326,446)</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		(64,308)	(21,422)
Net client loans and debt warehouse inflow		1,446,886	4,184,564
Payments for unlisted investment	11	(700,000)	(66,100)
Proceeds from research and development activities	14	1,369,949	-
Payments for research and development activities	14	(3,369,212)	(3,309,250)
<b>Net cash (used in) / from investing activities</b>		<b>(1,316,685)</b>	<b>787,792</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares, net of transaction costs		7,624,600	3,182,797
Proceeds from borrowings		1,400,000	-
Payments of borrowing costs	24b	(369,500)	(909,771)
<b>Net cash inflows from financing activities</b>		<b>8,655,100</b>	<b>2,273,026</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,487,869</b>	<b>734,372</b>
Cash at beginning of financial year		8,349,186	7,614,814
<b>Cash at end of financial year</b>	8	<b>9,837,055</b>	<b>8,349,186</b>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## Notes to the consolidated financial statements For the year ended 30 June 2024

### Note 1 Corporate Information

Spenda Limited (referred to as '**Spenda**' or the '**Company**') is a listed public company limited by shares, incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX: SPX). The consolidated financial statements of the Company as at and for the year ended 30 June 2024 comprise the Company and its subsidiaries (collectively referred to as the '**Group**').

A description of the nature of the Group's operations and its principal activities is included in the 'Review of results and operations' in the Directors' Report, which does not form part of this financial report.

### Note 2 Summary of Significant Accounting Policies

#### a. Basis of preparation

These general-purpose financial statements for the year ended 30 June 2024 have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Spenda is a for-profit entity for the purpose of preparing the financial statements.

#### i. *Compliance with IFRS*

The consolidated financial statements and notes of the Group also comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board.

#### ii. *Historical cost convention*

The financial statements have been prepared on a historical cost basis, except for financial assets and liabilities at fair value through profit or loss, which have been measured at fair value. The financial report is presented in Australian dollars.

#### iii. *New and amended standards adopted by the Group*

The Group had adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. There was no material impact on the Group's financial statements on adoption. The Group has adopted changes to AASB101 and now discloses material accounting policy information only rather than significant accounting policies.

#### iv. *New Accounting standards and interpretations not yet mandatory or early adopted*

Australian Accounting Standards and Interpretations that recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

#### v. *Going concern*

For the year ended 30 June 2024, the Group recorded a net loss after tax of \$13.2m including non-cash items of \$8m and had operating cash outflows of \$5.8m. As at 30 June 2024, the Group's cash and cash equivalents amounted to \$9.8m with a restricted cash balance of \$5.4m. The Group has implemented several measures to improve its revenue and margins, as well as to lower costs.

The directors have reviewed the Group's cash flow projections which cover a period of not less than twelve months from the date of approval of these consolidated financial statements and are of the opinion that the Group will have sufficient financial resources to satisfy its future working capital requirements with further access to debt and equity, and to meet its financial obligations as and when they fall due within the next twelve months from the date of approval of the consolidated financial statements for the year ended 30 June 2024.

## **Note 2 Summary of Significant Accounting Policies (continued)**

### **a) Basis of preparation (continued)**

The directors believe that the Group can continue to access debt and equity funding to meet its working capital requirements. Accordingly, the directors consider that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis.

Notwithstanding the above, there remains material uncertainty should the Group not raise sufficient funding as outlined above which may cast doubt about the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the consolidated financial statements.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of the Group's assets or to the amounts and classification of liabilities which might be necessary should the Group not continue as a going concern.

### **b) Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 25.

### **c) Principles of consolidation and equity accounting**

The consolidated financial statements comprise the financial statements of Spenda and its subsidiaries as at 30 June each year. Control is achieved where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Company.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

Non-controlling interests not held by the Company are allocated their share of net profit after tax in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and are presented within equity in the Consolidated Statement of Financial Position, separately from parent shareholders' equity.

### **d) Operating segments**

Operating segments are presented using the "management approach", where the information presented is on the same basis as the internal reports provided to the Board of Directors and the Executive Leadership Team (the chief operating decision maker).

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with any of the Company's other components) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segments, assess its performance and for which discrete financial information is available.

A geographical segment is a distinguishable component of the entity that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different to those of segments operating in other economic environments.

## Note 2 Summary of Significant Accounting Policies (continued)

### e) Financial assets

Financial assets are measured at either fair value through profit or loss or amortised cost as appropriate. The non listed investment asset is measured at fair value, and any changes in fair value are recognised in the profit or loss.

The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

The debtor finance loans, trade and term loans and buy now pay later loans are financial assets that are initially measured at fair value. Transactions costs are included as part of the initial measurement. These financial assets are subsequently measured at amortised cost. These financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carry value is written off.

The Group recognises a loss allowance for expected credit losses through the statement of profit or loss and other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated (stage 1). This represents a portion of the asset's lifetime expected credit losses that is attributable to default event that is possible within the next 12 months. Where a financial asset has become credit impaired (stage 3) or where it is determined that credit risk has increased significantly (stage 2), the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

### f) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

#### i) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business

combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments, as disclosed in note 21.

## Note 2 Summary of Significant Accounting Policies (continued)

### f) Intangible assets (continued)

#### ii) Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Research expenditure and development expenditure that do not meet the criteria in (ii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Recovered tax benefits on development are offset against the intangible asset under the principle of AASB 120 to the extent they relate to capitalised development costs.

#### iii) Research and development tax incentive

The research and development tax incentive is not recognised until this is a reasonable assurance that the company will comply with the conditions attaching to the refund and that the refund will be received.

#### iv) Amortisation methods and useful lives

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

- IT Development and software 3 – 5 years
- Customer list and contracts 2 – 3 years

### g) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in statement of profit or loss and other comprehensive income when the liabilities are derecognised and as well as through the amortisation process.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in statement of profit or loss and other comprehensive income, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Convertible notes are recorded as equity where the Group has no contractual obligation to deliver cash to the note holder.

Where convertible notes are redeemable for a fixed number of equity instruments the fair value of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note.

## Note 2 Summary of Significant Accounting Policies (continued)

### g) Interest-bearing loans and borrowings (continued)

The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Where convertible notes are redeemable for a variable number of equity instruments, the embedded derivative being the conversion options is recognised at fair value. Movements in fair value are recorded in the statement of profit or loss or other comprehensive income. The host debt is recognised at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

### h) Share-based payment transactions

The Company provides benefits in the form of share-based payments to all employees. The establishment of the Spenda Employee Securities Incentive Plan ('ESIP') was approved by shareholders at the 2021 Annual General Meeting. The ESIP is designed to provide long-term incentives to eligible employees and executive directors of the Group to assist in the motivation, retention and reward of participants. Under these plans, eligible participants may be offered options which may be subject to vesting conditions set by the Board. Details of the Plan rules are set out in the Remuneration Report, within the Directors' Report and within note 20.

The cost of these equity-settled transactions to employees is measured by reference to the fair value of the equity instruments at the date at which they are granted and to suppliers at the fair value of goods and services received. Where equity is issued to settle liabilities, it is measured at the value on the date of settlement and gains or losses on settlement are recorded in the statement of profit or loss and other comprehensive income. The estimation of the fair value of the awards requires judgement with respect to the appropriate valuation methodology. The choice of valuation methodology is determined by the structure of the awards, particularly the vesting conditions. The estimation of any market-based performance conditions is incorporated into the valuation model used to determine the fair value of the awards whereas non-market-based performance conditions are not included in the determination of fair value. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- the extent to which the vesting date has expired and
- the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

The Profit or Loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

## Note 2 Summary of Significant Accounting Policies (continued)

### h) Share-based payment transactions (continued)

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

### i) Contributed equity

Ordinary share capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received. Ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

### j) Revenue recognition

#### (i) Revenue from contracts with customers

Revenue is recognised for a contract with a customer when certain criteria are met:

- a signed contract is in place;
- each party's rights and obligations can be determined;
- payment terms are identified;
- the transaction has commercial substance; and
- it is probable that the consideration will be collectable.

At contract inception, Spenda will assess the goods or services promised in a contract with a customer and shall identify as a performance obligation each promise to transfer to the customer. Spenda provides the following services under contracts with customers:

- Hardware supply;
- Software development;
- Data migration and implementation services;
- Fees for the provision of payment services;
- Integration services (SaaS) and licence fees; and
- Support services.

Revenue is recognised when the performance obligation is satisfied either over time or at a point in time. Revenue regarding hardware supply is recognised at the point in time the product is delivered to the customer. Revenue from data migration and implementation services, integration services, provision of payment services and licence fees are recognised at the point in time that the services are provided or over time where applicable. Revenue from support services and software development is recognised over time, spread over the period to which the services relate and performance obligations are met.

#### (ii) Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

#### (iii) Other income

Other income is recognised when it is received.

## Note 2 Summary of Significant Accounting Policies (continued)

### k) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Any impairment on goodwill however is not reversed.

### l) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to continually make judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

#### (i) Impairment of goodwill and Intangible assets

At the end of each reporting period, an assessment is made as to whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including market conditions and asset specific matters. If such an indication exists, an impairment test is carried out on the asset by comparing the asset's carrying amount to its estimated recoverable amount, being the higher of fair value less costs to sell and value in use. Value in use is determined on the basis of the expected net cashflows that will be received from the assets employment and subsequent disposal discounted to their present value using a rate which reflects current market assessments of the time value of money; and the risks specific to the assets for which the future cash flow estimates have not been adjusted.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.



## Note 2 Summary of Significant Accounting Policies (continued)

### I) Critical accounting judgements, estimates and assumptions (continued)

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite useful lives.

#### (ii) Estimation of useful lives of assets

Estimated useful lives of depreciable property, plant and equipment assets and intangible assets are reviewed on a regular basis and at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

#### (iii) Share-based payments

The Group measures the cost of equity-settled transactions with management and other parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes or tri-nominal valuation method, taking into account the terms and conditions upon which the equity instruments were granted. The fair value in relation to the valuation of the equity instruments are detailed in Note 20. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

#### (iv) Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgment. It is based on the lifetime expected credit loss, grouped based on days overdue and makes assumptions to allocate an overall expected loss for each group. These assumptions include recent experience, historical collection rates and forward-looking information that is available. As at the year ended and based on available information, an allowance of \$100,831 has been recorded. The actual credit losses in future years may be higher.

## Note 3 Financial risk management objectives and policies

### Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ageing analysis for credit risk.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below.

### Market risk

#### Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated	Assets		Liabilities	
	2024 \$	2023 \$	2024 \$	2023 \$
Singapore dollars	10,983	100,959	(1,991)	-
Indian rupee	209,413	126,048	(41,251)	(69,489)

### **Note 3 Financial risk management objectives and policies (continued)**

The Group had net assets denominated in foreign currencies of \$177,154 as at 30 June 2024 (2023: \$157,518). Based on this exposure there is no material foreign currency risk.

#### *Price risk*

The Group is exposed to significant price risk. Equity price risk is a material risk for the Groups non-current investments. The Group has adopted bi-annual valuations of its non-listed investment to determine if there are material risks associated with the fair value of the assets. If identified, fair value adjustments are recorded. Refer to note 11 for further disclosures. The Group manages its price risk by reviewing the financial information of its investments monthly and by working closely with the investments decision makers to ensure that long term business objectives are focussed on, rather than short term returns.

#### *Interest rate risk*

The Group is not exposed to any significant interest rate risk. Although material revenues are generated from its interest-bearing receivables, the interest rate on its third party loans to provide these loans is fixed to manage the entities interest rate risk.

#### *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The group utilises data including credit agency information and bank statement data to confirm the suitability and appropriate credit limits prior to the issuance of credit to individual borrowers to manage its credit risk.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables and other financial assets using a probability or default approach. This approach is considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available. A loss allowance of \$100,831 has been recognised as at 30 June 2024.

Generally, trade receivables and other financial assets are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year. Refer to note 11 for further disclosures regarding credit risk.

#### **Liquidity risk**

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

#### *Financing arrangements and contractual maturities*

Unused borrowing facilities at the reporting date amount to \$3m (2023: \$2.4m), with a current limit of \$17m. The facility is for the use of funding of Invoice Finance clients only and cannot be used for working capital. As at 30 June 2024 the present liability under the loan was \$14m. The following table details the Group's remaining contractual maturity for its financial instrument liabilities. The table has been drawn up based on the undiscounted and discounted cash flows. The table include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

**Note 3 Financial risk management objectives and policies (continued)**

	Weighted average interest rate	1 year or less	Between 2 & 5 years	Over 5 years
<b>Consolidated - 2024</b>	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<i>Non-interest bearing</i>				
Trade payables	-	496,109	100,000	-
Other payables	-	1,001,309	-	-
<i>Interest-bearing – fixed rate</i>				
Lease liability	5%	106,181	477,569	-
Premium funded loans	4%	154,105	-	-
Third party loans	11%	1,574,573	13,227,141	-
		<b>3,332,277</b>	<b>13,804,710</b>	<b>-</b>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above. Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

	Weighted average interest rate	1 year or less	Between 2 & 5 years	Over 5 years
<b>Consolidated - 2023</b>	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<i>Non-interest bearing</i>				
Trade payables	-	475,837	-	-
Other payables	-	1,666,588	-	-
<i>Interest-bearing – fixed rate</i>				
Lease liability	5%	95,528	566,903	-
Third party loans	9%	98,807	13,987,707	-
		<b>2,336,760</b>	<b>14,544,610</b>	<b>-</b>

#### Note 4 Revenue and other income

	Consolidated	
	2024	2023
	\$	\$
<b>4a Revenue</b>		
<b>Recognised at point in time</b>		
Hardware revenue	136,878	20,628
Implementation fees	83,632	146,413
License fees	400,000	-
Labour charges	-	266,000
Payments revenue	404,391	110,889
Support services	149,707	107,345
Service charges and other fees	234,625	221,695
	<b>1,409,233</b>	<b>872,970</b>
<b>Recognised over time</b>		
Software as a Service	132,259	65,820
Software development	1,301,043	-
Loan interest (client loans – note 11)	2,532,475	2,172,723
	<b>3,965,777</b>	<b>2,238,543</b>
<b>Total Revenue</b>	<b>5,375,010</b>	<b>3,111,513</b>
<b>4b Other Income</b>		
Interest income	161,013	59,327
Other income	2,689	191,316
	<b>163,702</b>	<b>250,643</b>

The group derives revenue from the transfer of goods and services over time and at point in time from a single geographical location.

The aggregate amount that has not been recognised is deferred income of \$86,124 (FY23: \$439,728).

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## Note 5 Expenses

	Consolidated	
	2024	2023
	\$	\$
<b>5a Employee and directors' benefits expense</b>		
Directors' remuneration <sup>1</sup>	656,484	633,236
Employee and company secretary fees <sup>1</sup>	4,889,468	4,620,937
	<b>5,545,952</b>	<b>5,254,173</b>
<sup>1</sup> A total of \$1,195,905 (FY23: \$1,224,419) of directors' remuneration and key management personnel is included as a share-based payment expense.		
<b>5b Depreciation expense and amortisation charge</b>		
Depreciation expense	141,495	147,675
Amortisation charge	3,521,233	3,707,292
	<b>3,662,728</b>	<b>3,854,967</b>
<b>5c Fair Value Adjustment</b>		
Fair value adjustment on non-current asset	1,725,000	-
<b>5d Consulting fees</b>		
Other consulting services	692,282	251,774
<b>5e Finance Costs</b>		
Amortisation of borrowing costs	773,652	355,310
Forgiveness on General Interest Charge	-	(107,409)
General interest charges	36,372	-
Bank fees	7,964	6,151
	<b>817,988</b>	<b>254,052</b>

Interest and fees relating to the debt warehouse facility (note 17a) are disclosed within cost of services rendered in the statement of profit or loss and other comprehensive income \$1,513,091 (2023: \$889,271).

## Note 6 Income tax

The Company has not recognised any deferred tax assets or liabilities in respect to the current year (2023: \$nil).

At 30 June 2024, the net deferred tax assets have not been brought to account as realisation is not currently regarded as probable. Deferred tax assets on losses will only be available for recoupment if:

- (i) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deduction for the losses to be realised; and
- (ii) The Company continues to comply with the conditions for deductibility imposed by the tax law.

### Tax consolidation

Spenda and its wholly owned Australian subsidiaries have formed an income tax consolidated group.

	Consolidated	
	2024 \$	2023 \$
Loss before income tax expense from continuing operations	(13,156,860)	(10,995,506)
Prima facie tax (benefit) on loss from ordinary activities before income tax at 25% (2022: 25%)	(3,289,215)	(2,748,877)
Tax effect of:		
Add:		
Non-deductible expenses	1,102,850	662,815
Other	(3,348)	-
Deferred tax assets on tax losses not recognised	16,583	1,681,511
Other deferred tax assets and deferred tax liabilities not recognised	2,203,131	472,243
Less:		
Non-assessable income	-	(68,209)
Adjustment in relation to tax of prior years	17,534	-
Difference in tax rate of subsidiaries in different jurisdictions	624	(6,891)
Income tax expense	48,159	7,408

The tax losses identified have been estimated on the basis of available information.

In addition to the current year tax loss and other net future income tax deductions on which deferred tax assets have not been recognised at 30 June 2024 as set out in the reconciliation above, the Company also has estimated accumulated tax losses of \$14,289,707 on which deferred tax asset has not been recognised.

Unrecognised deferred tax assets and liabilities as at 30 June 2024 comprise:	Deferred tax assets \$	Deferred tax liabilities \$
Losses available for offset against future taxable income	14,264,695	-
Depreciating/Intangible assets	1,499,696	-
AASB 16 liabilities	21,351	-
Employee entitlements	223,103	-
Superannuation payable	45,826	-
Other	51,425	-
Deferred tax assets/liabilities not recognised	(16,106,096)	-
<b>Net unrecognised deferred tax asset/liability</b>	<b>-</b>	<b>-</b>

## Note 7 Loss per share

Basic loss per share is calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. The diluted loss per share is calculated by dividing the net loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Share options are considered to be anti-dilutive.

	Consolidated	
	2024 \$	2023 \$
The following reflects the income and share data used in the basic and diluted loss per share computations:		
Loss after income tax expense from continuing operations	(13,205,019)	(11,002,914)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	3,950,705,987	3,238,776,493
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted loss per share	3,950,705,987	3,238,776,493
Basic loss per share (cents per share)	(0.33)	(0.34)
Diluted loss per share (cents per share)	(0.33)	(0.34)

## Note 8 Cash and cash equivalents

	Consolidated	
	2024 \$	2023 \$
Cash at bank and in hand	4,397,135	4,893,112
Restricted cash - Invoice Finance client accounts <sup>1</sup>	5,439,920	3,456,074
	<u>9,837,055</u>	<u>8,349,186</u>

<sup>1</sup> Spenda Cashflow Pty Ltd ("SCF"), a wholly owned subsidiary of the Company, holds 100% of the units on issue (being residual income and residual capital units) in a special purpose Australian law unit trust, called Spenda Cash Flow Trust 1 ("SCFT1").

Restricted cash of \$5,439,920 relates to monies held by SCFT1 as at 30 June 2024 for use with its Invoice Finance clients. These monies are not available for use by the Group for purposes other than invoice financing.

## Note 9 Trade and other receivables

	Consolidated	
	2024	2023
	\$	\$
<b>Current</b>		
Trade receivables	62,693	171,813
Provision for doubtful debts	(14,875)	-
Other receivables	202,502	27,846
Refundable bond	26,267	-
	<u>276,587</u>	<u>199,659</u>
<b>Non-current</b>		
Refundable bond	594,526	500,000

### (a) Fair value and credit risk

Due to the short-term nature of the receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables.

### (b) Interest rate risk

Detail regarding interest rate risk exposure is disclosed in Note 3.

## Note 10 Other current assets

	Consolidated	
	2024	2023
	\$	\$
Prepayments	345,766	356,155
Bank guarantees <sup>1</sup>	-	95,628
Rental bonds <sup>1</sup>	-	25,192
	<u>345,766</u>	<u>476,975</u>

<sup>1</sup> Rental bonds and guarantees have been reclassified as current and non-current receivables (note 9) during the financial year ended 30 June 2024.

## Note 11 Financial Assets

	Consolidated	
	2024	2023
	\$	\$
<b>Loans carried at amortised cost:</b>		
<b>Current</b>		
Client loans – invoice finance	8,645,439	10,743,684
Client loans – trade, term and other loans	2,209,619	1,278,968
Provision for credit losses <sup>1</sup>	(100,831)	-
	<u>10,754,227</u>	<u>12,022,652</u>
<b>Non-current</b>		
Investment in non-listed company	1,725,000	1,025,000
Fair value adjustment	(1,725,000)	-
	<u>-</u>	<u>1,025,000</u>

<sup>1</sup> Provision for expected credit losses have been reclassified as financial assets during the financial year ended.



## Note 11 Financial assets (continued)

### Fair value

Due to the short-term nature of the client loan financial assets, their carrying value is assumed to approximate their fair value. The non-listed investment asset is classified as a level 3 asset in the fair value hierarchy, where fair value is determined using unobservable inputs for the asset. The asset is an equity investment in an early stage start-up company which remains at a stage of research and development. The Company reviewed various valuation techniques including revenue multiple, replacement cost & discounted cash flows. During this review, the Company noted that these valuation techniques for this particular type of investment were highly judgemental given the uncertainty of cash flows and early-stage nature of the business. As such, a fair value adjustment of \$1,725,000 being the cost base of the asset has been recognised as at 30 June 2024, bringing the carrying value to \$nil. This fair value assessment will be reassessed each reporting period. The sensitivity analysis for unobservable inputs has not been disclosed on the basis that fair value would remain immaterial.

### Credit risk

The Company made an assessment at the year end and based on available information, an allowance for credit loss of \$100,831 (FY23: \$66,775) has been recorded. The actual credit losses in future years may be higher.

30 June 2024	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Gross loan receivables	9,812,966	1,042,092	-	10,855,058
Provision for Credit Loss	-	(100,831)	-	(100,831)
<b>Net loan receivables</b>	<b>9,812,966</b>	<b>941,261</b>	<b>-</b>	<b>10,754,227</b>
Stage % of loan receivable	90%	10%	-	100%
Provision as % of receivables	-	9.7%	-	0.9%

30 June 2023	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Gross loan receivables	12,022,652	-	-	12,022,652
Provision for Credit Loss	(66,775)	-	-	(66,775)
<b>Net loan receivables</b>	<b>11,955,877</b>	<b>-</b>	<b>-</b>	<b>11,955,877</b>
Stage % of loan receivable	100%	-	-	100%
Provision as % of receivables	0.6%	-	-	0.56%

The Group recognises an allowance for credit loss which is deducted from the gross carrying amount of the assets. This allowance is a probability weighted estimate of credit losses. The calculation consists of three components, the probability of default, the loss given default and the exposure at default.

The Company assesses loans as stage 2, which is where there is a significant increase in credit risk since initial recognition. An allowance on the basis above is calculated separately for these stage 2 assets, taking into consideration both qualitative and quantitative measures.

As at 30 June 2024, a total of \$1,042,092 was considered a stage 2 financial asset. The amount relates to an Invoice Finance client for whom there is no recent history of default, however, represents an increased credit risk. The Company is confident in the full recoverability of this balance over the next 12 months.

## Note 12 Right of use asset

	Consolidated	
	2024 \$	2023 \$
<b>Non-current</b>		
Office space – right of use	628,129	575,032
Less: accumulated depreciation	(209,376)	(95,838)
	<b>418,753</b>	<b>479,194</b>

On 15 March 2022, the Company signed a Heads of Agreement to commence a new office lease from 1 July 2022 for its Perth based operations. Refer to note 16 for further details.

The Company leases an office located in Perth over a 6-year period. The lease has annual fixed escalation clauses. On renewal, the terms of the lease are renegotiated.

A right of use asset is recognised at the commencement date of the lease. It is measured at cost, adjusted for any lease payments made. They are depreciated on a straight-line basis.

## Note 13 Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

	Country of Incorporation	Percentage Owned (%)	
		2024 %	2023 %
<b>Parent Entity:</b>			
Spenda Limited	Australia	100%	100%
<b>Subsidiaries of Spenda Limited:</b>			
Spenda Business Services Pty Ltd	Australia	100%	100%
Anthem Software Group Pty Ltd	Australia	100%	100%
Spenda Cash Flow Pty Ltd	Australia	100%	100%
Spenda Finance Pty Ltd	Australia	100%	100%
Spenda India Technologies Private Limited	India	100%	100%
Spenda Singapore Pte Ltd	Singapore	100%	100%
Spenda Cash Flow Trust 1 <sup>1</sup>	Australia	100%	100%
Spenda Cash Flow Trust 2 <sup>1</sup>	Australia	100%	-

<sup>1</sup> During FY23, the Group created and acquired 100% of the units of SCFT1, entitling the Group to 100% of the net income distributions of all activity held within the trust. During FY24, the Group created and acquired 100% of the units of Spenda Cash Flow Trust 2 ("SCFT2").

The Group enters into transactions in the normal course of business and sells financial assets to the trust at their face value. The trust is consolidated as the Group is exposed or has rights to all returns and provides and services all its assets.

The use of a securitisation master trust structure for the finance arrangements is driven primarily to meet financier requirements of funding into a bankruptcy remote vehicle with direct security over underlying receivables and equitable title to receivables being held by an independent trustee. From Spenda's perspective it will also assist future funding of different asset classes by different financiers under parallel structures.

## Note 14 Intangible assets

	Consolidated	
	2024 \$	2023 \$
<b>Software development (note a)</b>		
Software development costs	22,062,395	20,063,132
Less: Accumulated amortisation	(10,169,137)	(6,825,484)
	<b>11,893,258</b>	<b>13,237,648</b>
<b>Customer contracts</b>		
Customer contracts	611,889	611,889
Less: Accumulated amortisation	(611,889)	(434,309)
	-	177,580
<b>Goodwill (note b)</b>		
Goodwill on acquisition of ASG (SaaS and payments CGU)	50,908,765	50,908,765
Less: Accumulated impairment charge	(41,533,263)	(41,533,263)
Goodwill on acquisition of Invigo (lending CGU)	7,446,056	7,446,056
<b>Total Goodwill</b>	<b>16,821,558</b>	<b>16,821,558</b>
<b>Total Intangible assets</b>	<b>28,714,816</b>	<b>30,236,786</b>

### a) Software development costs

Software development costs relate to various forms of Intellectual Property, collectively referred to as the Spenda Product Suite. It comprises of customised applications that integrate data using cloud enabled technologies, payments infrastructure and various other technologies.

### (b) Goodwill

Goodwill represents other intangible assets of the business not explicitly recognised on the statement of financial position and includes assembled workforce, technical expertise, distribution channels, customer service capability, product and service support and geographic presence. It will not be deductible for tax purposes. The Group tests whether goodwill has suffered any impairment on an annual basis. Goodwill on ASG relates to the goodwill acquired on the acquisition of Appstablishment Software Group Pty Ltd ('ASG') and is allocated to the SaaS and payments CGU. Goodwill on Invigo relates to the goodwill acquired on the acquisition of Invigo Pty Ltd and is allocated to the lending CGU.

## Note 14 Intangible assets (continued)

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are detailed below:

	Goodwill ASG	Goodwill Invigo	Software Assets	Customer Contracts	Total
	\$	\$	\$	\$	\$
<b>Opening balance as at 1 July 2022</b>	<b>9,375,502</b>	<b>7,446,056</b>	<b>13,217,249</b>	<b>577,967</b>	<b>30,616,774</b>
Additions	-	-	3,327,304	-	3,327,304
Amortisation charge	-	-	(3,306,905)	(400,387)	(3,707,292)
<b>Closing balance as at 30 June 2023</b>	<b>9,375,502</b>	<b>7,446,056</b>	<b>13,237,648</b>	<b>177,580</b>	<b>30,236,786</b>
<b>Opening balance as at 1 July 2023</b>	<b>9,375,502</b>	<b>7,446,056</b>	<b>13,237,648</b>	<b>177,580</b>	<b>30,236,786</b>
Additions	-	-	3,369,212	-	3,369,212
R&D tax incentive	-	-	(1,369,949)	-	(1,369,949)
Amortisation charge	-	-	(3,343,653)	(177,580)	(3,521,233)
<b>Closing balance as at 30 June 2024</b>	<b>9,375,502</b>	<b>7,446,056</b>	<b>11,893,258</b>	<b>-</b>	<b>28,714,816</b>

### Assessment of Impairment

The Group is required to assess the recoverable value for the goodwill that has arisen on the acquisition of Appstablishment Software Group ('ASG') and Invigo Pty Ltd ('Invigo'). These are each considered separate Cash Generating Units ('CGU'). The ASG goodwill balance is in the SaaS and Payments CGU, which is distinguished by its cash flows derived from its software as a service and merchant payments income. The SaaS and payments CGU includes the goodwill of \$9,375,922 and intangible assets of \$11,535,180 at balance date that are tested for recovery.

The Invigo goodwill, software asset and customer list are included in the lending CGU, which is distinguished by its cash flows derived predominantly through loan interest income on lending products the Group offers. The lending CGU includes the goodwill of \$7,446,056 and intangible assets of \$358,078 at balance date that are tested for recovery.

### Impairment testing

#### SaaS and Payments CGU

The recoverable amount of the Group's goodwill and other intangibles has been determined by a value-in-use calculation using a discounted cash flow model, based on a 5-year projection period approved by management, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for the SaaS and Payments CGU:

- 25.35% low pre-tax discount rate and 28.6% high pre-tax discount rate;
- 1.5% per annum projected long term revenue growth rate used in calculating the terminal value;
- 1.5% per annum increase in operating costs and overhead used in calculating the terminal value; and
- Growth rates of 281% in 2025, 160% in 2026, 4% in 2027, 4% in 2028, 4% in 2029.
- Cost of sales are forecast as a percentage of sales at 44.2% in 2025, 49.4% in 2026, 2027, 2028 and 2029.
- Overhead costs (largely being direct salary & wages) are forecast at \$3.8m in 2025, \$3.8m in 2026, \$3.9m in 2027, \$3.9m in 2027 and \$4m in 2029.

## Note 14 Intangible assets (continued)

The discount rate reflects management's estimate of the time value of money and the Group's weighted average cost of capital, adjusted for the SaaS and payments division, the risk-free rate and the volatility of the share price relative to market movements.

Management believes the projected revenue growth rates are prudent and justified, based on the activity and its current deal flow. The significant growth rates in FY24 and FY25 relates to the provision of additional services to two key contracted customers of the group. After the implementation of these services, the forecast growth returns to steady state growth more aligned to long term average growth rate in the industries in which Spenda operates.

There were no other key assumptions for the SaaS and payments CGU.

Based on the above, no impairment charge has been applied as the recoverable amount exceeded its carrying amount for the SaaS and payments CGU.

### Lending CGU

The following key assumptions were used in the discounted cash flow model for the lending CGU:

- 23.1% low pre-tax discount rate and 28.7% high pre-tax discount rate;
- 5% per annum projected long term revenue growth rate used in calculating the terminal value; and
- 5% per annum increase in operating costs and overhead used in calculating the terminal value.
- Growth rates of 110% in 2025, 137% in 2026, 4% in 2027, 4% in 2028 and 4% in 2029.
- Cost of sales are forecast as a percentage of sales at 58.3% in 2025, 56.4% in 2026, 2027, 2028 and 2029.
- Overhead costs (largely being direct salary & wages) are forecast at \$624k in 2025, \$654k in 2026, \$685k in 2027, \$717k in 2027 and \$751k in 2029.

The discount rate reflects management's estimate of the time value of money and the Group's weighted average cost of capital adjusted for the lending division, the risk-free rate and the volatility of the share price relative to market movements.

Management believes the projected revenue growth rate is prudent and justified, based on the activity and its current and projected deal flow. The significant growth rates in FY25 and FY26 are largely due to the key strategic relationship with AirPlus (as noted in the review of results and operations in the directors report) and the continued provision of these new services to prospective clients based on current deal flow and internal targets set.

There were no other key assumptions for the lending CGU.

The directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur, the resulting goodwill carrying amount may decrease. The discount rate would be required to increase by 12.5% (2023: 40%) for the SaaS and Payments CGU and 43% (2023: 10%) for the lending CGU before goodwill would need to be impaired, with all other assumptions remaining constant.

Based on the above, no impairment charge has been applied as the recoverable amount exceeded its carrying amount for the lending CGU.

## Note 15 Trade and other payables

	Consolidated	
	2024	2023
	\$	\$
<b>Current</b>		
Trade payables	596,109	475,837
Income tax payable	-	578
PAYG withholding	141,814	447,890
Deferred income	86,124	439,728
Superannuation payable	183,304	156,022
Sundry payables and accrued expenses	590,067	622,370
	1,597,418	2,142,425
<b>Non-current</b>		
Trade payable	100,000	-

## Note 16 Lease liabilities

	Consolidated	
	2024	2023
	\$	\$
<b>Current</b>		
Lease liabilities	106,181	95,528
<b>Non-current</b>		
Lease liabilities	397,974	453,523

The remaining lease liability on this as at 30 June 2024 is \$504,155 (2023: \$549,051) spread over 4 years.

## Note 17 Financial Liabilities

2024	Consolidated	
	2024	2023
	\$	\$
<b>Current</b>		
Premium funding loan balance	154,105	98,807
<b>Non-current</b>		
Debt warehouse facility (17a)	14,000,000	12,600,000
Debt warehouse facility – capitalised set up costs	(772,859)	(992,052)
	13,227,141	11,607,948

Financial liabilities are measured at amortised cost.

## Note 17 Financial Liabilities (continued)

### 17a Debt warehouse facility

SCFT1 has in place a note subscription with a current limit of \$17m (with an accordion up to potentially \$50m). The terms of the facility are as follows.

- Available until July 2025;
- Fixed interest rate of 11%; and
- The issue of 80,546,396 call options at 4.2 cent per option, with 50% vesting on financial close and 50% vesting pro-rate on utilisation of the initial facility.

Costs related to the establishment of the securitisation master trust structure and associated debt facility are initially capitalised, then amortised on a straight-line basis over the term of the facility. Net capitalised costs are offset against related borrowings.

### Note 18 Provisions

	Consolidated	
	2024	2023
	\$	\$
<b>Current</b>		
Annual leave	615,162	541,906
Long service leave	58,400	48,617
Allowance for credit losses <sup>1</sup>	-	66,775
	<u>673,562</u>	<u>657,298</u>
<b>Non-current</b>		
Provision for gratuity	50,139	-
Long service leave	236,774	140,405
	<u>286,913</u>	<u>140,405</u>

<sup>1</sup> Allowance for credit losses have been reclassified and offset against financial assets during the financial year.

### Note 19 Contributed equity

	Consolidated	
	2024	2023
	\$	\$
Ordinary shares	<u>172,960,699</u>	<u>165,030,603</u>

#### Ordinary shares

Holders of ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and moneys paid up on shares held. The fully paid ordinary shares have no par value. Holders of ordinary shares are entitled to one vote, either in person or by proxy at a meeting of the Company.

Ordinary shares	Consolidated			
	2024		2023	
	No. Shares	\$	No. Shares	\$
<b>Opening balance</b>	<b>3,650,186,165</b>	<b>165,030,603</b>	3,181,661,739	160,933,168
Private placement	<b>647,086,315</b>	<b>7,662,000</b>	379,222,324	3,413,001
Exercise of unlisted and listed options	-	-	12,500	313
Employee share option plan/incentive plan	<b>21,375,000</b>	<b>257,218</b>	23,666,667	274,167
Issued in lieu of fees	<b>5,810,319</b>	<b>58,103</b>	12,391,158	151,866
Issued as part of salary sacrifice arrangement	-	-	53,231,777	575,591
Transactions costs related to share issue	-	<b>(47,225)</b>	-	(317,503)
<b>Closing balance</b>	<b>4,324,457,799</b>	<b>172,960,699</b>	3,650,186,165	165,030,603

Shares issued under the ESIP are valued at the date they were issued. The expense is recognised as part of the salaries and wages balance for the salary sacrificed shares and share based payment expense for ESIP shares issued.

#### Note 20 Option Reserves and Share Based Payments

Reserves	Consolidated	
	2024 \$	2023 \$
Share Based Payment Reserves	<b>3,782,199</b>	10,153,947
Option Premium Reserve	<b>407,158</b>	407,158
Foreign Currency Translation Reserve	<b>28,190</b>	3,037
<b>Closing balance</b>	<b>4,217,547</b>	10,564,142

Share based payment reserve relates to the cumulative amount charged to the profit or loss in respect of listed and unlisted options granted.

Option premium reserve relates to the monies received for its options over and above their nominal value.

Foreign currency reserve is used to recognise exchange differences arising from the translation of financial statements of foreign operations to Australian dollars.

#### Share Based Payment Reserves

Share Based Payment and Option Premium Reserve	Consolidated	
	2024 \$	2023 \$
<b>Opening Balance</b>	<b>10,153,947</b>	8,470,074
Unlisted options issued during the year	-	489,282
Options (expired)/exercised	<b>(7,937,549)</b>	313
Listed options issued during the year	-	195,799
Vesting charge on issued options	<b>1,565,801</b>	998,479
<b>Closing balance</b>	<b>3,782,199</b>	10,153,947



The following table represents the various securities issued by the Company as share-based payments during the year and their fair value:

Class	Grant date	Aware type	Vesting date	Vesting condition	Expiry date	Number of options	Fair value	Exercise price
A	15 August 2023	Grant to debt financier	15 August 2023	None	15 August 2025	2,577,517	\$0.003	\$0.043
B	1 September 2023	Grant to KMP	1 September 2023	None	15 June 2027	3,000,000	\$0.003	\$0.0175
C	1 September 2023	Granted under ESIP	1 September 2023	None	15 June 2027	3,000,000	\$0.005	\$0.0175
D	3 November 2023	Grant to non-executive chairman	Various	1, 2 & 3 years after issue date	15 June 2027	26,000,000	\$0.006	\$0.0175
E	3 November 2023	Grant to non-executive director	Various	1, 2 & 3 years after issue date	15 June 2027	10,000,000	\$0.006	\$0.0175
F	3 November 2023	Grant to non-executive director	Various	1, 2 & 3 years after issue date	15 June 2027	10,000,000	\$0.006	\$0.0175
G	3 November 2023	Grant to non-executive director	Various	1, 2 & 3 years after issue date	15 June 2027	10,000,000	\$0.006	\$0.0175
H	3 November 2023	Grant to non-executive director	Various	1, 2 & 3 years after issue date	3 November 2027	5,000,000	\$0.005	\$0.045
I	18 October 2023	Options issued to debt financier	18 October 2023	None	15 August 2025	2,255,327	\$0.002	\$0.043
J	3 November 2023	Options issued to executive director	3 November 2023	None	15 June 2027	8,000,000	\$0.006	\$0.0175
K	3 November 2023	Options issued to executive director	3 November 2023	1, 2 & 3 years after issue date	3 November 2027	100,000,000	\$0.004	\$0.10
L	15 November 2023	Options issued to advisor	Various	3 months from issue over 10	15 November 2026	36,772,326	\$0.01	\$0.0175
M	15 November 2023	Options issued to advisor	Various	3 months from issue over 10	15 November 2026	18,363,163	\$0.004	\$0.055
N	15 November 2023	Options issued to advisor	Various	3 months from issue over 10	15 November 2026	18,363,163	\$0.005	\$0.040
<b>Total</b>						<b>253,331,496</b>		

The cost of equity transactions is determined by using the fair value of the options at the grant date using either the black scholes or binomial model. The fair value is determined in accordance with the fair market value of the shares available at the grant date and identified above.

## Note 20 Option Reserves and Share Based Payments (continued)

Some inputs to the models require the application of judgement. The fair value of unlisted options granted during the period were estimated on the grant date using the assumptions set out below:

Class	Number	Detail	Vesting date	Underlying share price	Volatility	Risk-free rate	Dividend Yield	Exercise price
A	2,577,517	Options issued to debt financier	15 August 2023	\$0.011	104%	2.7%	Nil	\$0.043
B	3,000,000	Options granted to KMP	1 September 2023	\$0.007	124%	4.1%	Nil	\$0.0175
C	3,000,000	Options granted under ESIP	1 September 2023	\$0.007	124%	4.1%	Nil	\$0.0175
D	26,000,000	Options granted to non-executive chairman	Various	\$0.009	122%	4.33%	Nil	\$0.0175
E	10,000,000	Options granted to non-executive director	Various	\$0.009	122%	4.33%	Nil	\$0.0175
F	10,000,000	Options granted to non-executive director	Various	\$0.009	122%	4.33%	Nil	\$0.0175
G	10,000,000	Options granted to non-executive director	Various	\$0.009	122%	4.33%	Nil	\$0.0175
H	5,000,000	Options granted to non-executive director	Various	\$0.009	122%	4.33%	Nil	\$0.045
I	2,255,327	Options granted to debt financier	18 October 2023	\$0.008	104%	2.7%	Nil	\$0.043
J	8,000,000	Options granted to executive director	3 November 2023	\$0.009	122%	4.33%	Nil	\$0.0175
K	100,000,000	Granted to executive director	Various	\$0.009	122%	4.33%	Nil	\$0.10
L	36,772,326	Options issued to advisors	Various	\$0.010	121%	4.29%	Nil	\$0.0175
M	18,363,163	Options issued to advisors	Various	\$0.010	121%	4.29%	Nil	\$0.055
N	18,363,163	Options issued to advisors	Various	\$0.010	121%	4.29%	Nil	\$0.040
<b>Total</b>	<b>253,331,496</b>							

The cost of listed options used the last day of trading prior to the issue of these options, or consideration paid for these options.

Class	Number	Detail	Vesting date	Underlying share price	Volatility	Risk-free rate	Dividend Yield	Exercise price
O	13,677,500	Grant to advisors	4 August 2023	\$0.53	N/A	N/A	N/A	0.0175

Furthermore, several shares were issued as share based payments in lieu of fees and to employees and key management personnel in as part of STI under the ESIP.

Shares	Rationale	Date Issued	Share Price at grant date	Number of Shares
Shares A	Shares issued to KMP as part of STI	15 August 2023	\$0.008	7,125,000
Shares C	Shares issued to Managing director as part of STI	1 December 2023	\$0.012	2,250,000
Shares D	Shares issued to KMP as part of STI	31 January 2024	\$0.015	12,000,000
<b>Total</b>				<b>21,375,000</b>

The total share-based payment expense of \$1,823,051 (FY23: \$1,498,959) in the statement of profit or loss and other comprehensive income consists of \$1,565,801 of options (FY23 \$1,270,793) and \$257,218 of ESIP shares (FY22 \$228,167). The amounts noted above issued in lieu of salary include nil (FY23: \$609,648) issued to directors and key management personnel as disclosed in note 5(a).

## Note 20 Option Reserves and Share Based Payments (continued)

The estimation of the fair value of the awards requires judgement with respect to the appropriate methodology. The fair value for the options granted was determined by using the Black-Scholes model or Binomial model as appropriate. Set out below are summaries both listed and unlisted, of options granted during the year:

Consolidated				
	2024		2023	
	Average exercise price per share option \$	Number of options	Average exercise price per share option \$	Number of options
As at 1 July	\$0.03	686,752,315	\$0.04	517,797,325
Granted during the year	\$0.033	267,008,996	\$0.03	168,967,490
Expired or forfeited during the year	\$0.025	(354,509,825)	-	-
Exercised during the year	-	-	\$0.025	(12,500)
<b>As at 30 June</b>	<b>\$0.03</b>	<b>599,251,486</b>	<b>\$0.03</b>	<b>686,752,315</b>

At 30 June 2024 the weighted average contractual life of the above options was 2.17 years (2023: 2.32 years).

## Note 21 Segment reporting

The Group's operating segment is based on the internal reports that are reviewed and used by the Board of Directors (being the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources. The Group operates predominantly in the IT software, payments and non-bank lending industry sectors.

Segment	Principal Activities
<b>SaaS and Payments</b>	Provision of software as a service to business customers and merchant payment services.
<b>Lending</b>	Provision of lending services to business customers.
<b>Unallocated</b>	Unallocated includes certain head office costs and costs not directly attributable to either segment.

**Note 21 Segment reporting (continued)**

	SaaS & Payments \$	Lending \$	Unallocated \$	Total \$
<b>For the year ended 30 June 2024</b>				
Revenue	2,414,315	2,960,695	-	5,375,010
Other income	-	-	163,702	163,702
Cost of goods sold	(395,034)	(337,888)	-	(732,922)
Other	(4,007,270)	(1,126,642)	(5,109,931)	(10,243,843)
Fair value adjustment	-	-	(1,725,000)	(1,725,000)
<b>EBITDA</b>	<b>(1,987,989)</b>	<b>1,496,165</b>	<b>(6,671,229)</b>	<b>(7,163,053)</b>
Depreciation and amortisation	(3,282,222)	(237,820)	(142,686)	(3,662,728)
Finance costs	-	(2,331,079)	-	(2,331,079)
<b>Loss before income tax</b>	<b>(5,270,211)</b>	<b>(1,072,734)</b>	<b>(6,813,915)</b>	<b>(13,156,860)</b>
Income tax benefit	-	-	(48,159)	(48,159)
<b>Loss after income tax</b>	<b>(5,270,211)</b>	<b>(1,072,734)</b>	<b>(6,862,074)</b>	<b>(13,205,019)</b>

All of the Group's revenues are derived from Australian based entities. One customer generates revenue greater than 10% of the Group's total revenue.

In the statement of profit or loss and other comprehensive income, cost of services rendered includes interest expense on borrowings. For the purpose of calculating EBITDA it has been reallocated to finance costs, as noted above.

	SaaS & Payments \$	Lending \$	Unallocated \$	Total \$
<b>For the year ended 30 June 2024</b>				
<b>Current Assets</b>				
Cash and cash equivalents	1,260,130	5,927,875	2,649,050	9,837,055
Trade & other receivables	241,291	-	35,296	276,587
Financial assets	-	10,754,227	-	10,754,227
Unallocated current assets	-	-	386,340	386,340
<b>Total current assets</b>	<b>1,501,421</b>	<b>16,682,102</b>	<b>3,070,686</b>	<b>21,254,209</b>
<b>Non-Current Assets</b>				
Goodwill	9,375,502	7,446,056	-	16,821,558
Intangible asset	11,535,180	358,078	-	11,893,258
Unallocated non-current assets	-	-	1,078,326	1,078,326
<b>Total non-current asset</b>	<b>20,910,682</b>	<b>7,804,134</b>	<b>1,078,326</b>	<b>29,793,142</b>
Total assets include:				
Acquisition of non-current assets	1,999,263	-	-	1,999,263
<b>Liabilities</b>				
Financial liabilities	-	13,227,141	154,105	13,381,246
Trade and other payables	426,770	201,444	969,204	1,597,418
Unallocated liabilities	-	-	1,564,630	1,564,630
<b>Total liabilities</b>	<b>426,770</b>	<b>13,428,585</b>	<b>2,687,939</b>	<b>16,543,294</b>

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Note 21 Segment reporting (continued)

	SaaS & Payments \$	Lending \$	Unallocated \$	Total \$
<b>For the year ended 30 June 2023</b>				
<b>Current Assets</b>				
Revenue	776,404	2,335,109	-	3,111,513
Other income	-	-	250,643	250,643
Cost of goods sold	(274,933)	(1,142,996)	-	(1,417,929)
Other	-	-	(8,830,714)	(8,830,714)
<b>EBITDA</b>	<b>501,471</b>	<b>1,192,113</b>	<b>(8,580,071)</b>	<b>(6,886,487)</b>
Depreciation and amortisation	(3,669,583)	(137,853)	(47,531)	(3,854,967)
Finance costs	-	(355,310)	101,258	(254,052)
<b>Loss before income tax</b>	<b>(3,168,112)</b>	<b>698,950</b>	<b>(8,526,344)</b>	<b>(10,995,506)</b>
Income tax benefit	-	-	(7,408)	(7,408)
<b>Loss after income tax</b>	<b>(3,168,112)</b>	<b>698,950</b>	<b>(8,533,752)</b>	<b>(11,002,914)</b>

	SaaS & Payments \$	Lending \$	Unallocated \$	Total \$
<b>For the year ended 30 June 2023</b>				
<b>Current Assets</b>				
Cash and cash equivalents	415,386	3,594,577	4,339,223	8,349,186
Trade & other receivables	179,532	-	272,161	451,693
Financial assets	-	12,022,652	-	12,022,652
Unallocated current assets	-	-	265,515	265,515
<b>Total current assets</b>	<b>594,918</b>	<b>15,617,229</b>	<b>4,876,899</b>	<b>21,089,046</b>
<b>Non-Current Assets</b>				
Goodwill	9,375,502	7,446,056	-	16,821,558
Intangible asset	13,020,038	395,190	-	13,415,228
Unallocated non-current assets	-	-	2,058,128	2,058,128
<b>Total non-current asset</b>	<b>22,395,540</b>	<b>7,841,246</b>	<b>2,058,128</b>	<b>32,294,914</b>
<b>Liabilities</b>				
Financial liabilities	-	11,706,755	549,051	12,255,806
Trade and other payables	650,988	68,420	1,423,017	2,142,425
Unallocated liabilities	-	-	797,703	797,703
<b>Total liabilities</b>	<b>650,988</b>	<b>11,775,175</b>	<b>2,769,771</b>	<b>15,195,934</b>

## Note 22 Related party disclosure

### **Director and key management personnel related entities**

The following entities have been determined to be related party entities:

Entity	Director/Key Management Personnel
Humedale Pty Ltd	Humedale Pty Ltd is a related party entity. Mr Stephen Dale is a director of both Spenda Limited and Humedale Pty Ltd
The Jarvis Family Trust	Jarvis Family Trust ("JFT") is a related party entity. Mr Richard Jarvis is a key management personnel of the Company and a director of the trust
The Woods Family Trust	Woods Family Trust ("WFT") is a related party entity. Mr David Wood is a key management personnel of the Company and a director of the trust
The Hilton Family Trust	Hilton Family Trust ("HFT") is a related party entity. Mr Andrew Hilton is a key management personnel of the Company and a director of the trust

### **Shares Issued to Related Entities**

Shares issued to related entities are as disclosed in the remuneration report.

### **Directors and key management personnel**

Disclosures relating to directors and key management personnel are set out in the remuneration report in the directors' report and note 23.

### **Transactions with related parties**

During the year no services have been provided by or to directors' and key management personnel related entities.

### **Parent entity**

Spenda Limited is the ultimate parent entity.

As at 30 June 2024, Spenda Limited had intercompany loans with subsidiaries of \$31,321,285 (2023: \$25,084,040). These loans carry no interest charge and have no set date for repayment. All intercompany transactions are eliminated on consolidation. Parent entity information is disclosed in note 25.

### **Subsidiaries & associates**

Interests in subsidiaries and associates are set out in note 13.

## Note 23 Key management personnel disclosures

The aggregate compensation made to directors and other KMP of the Group is set out below:

	Consolidated	
	2024	2023
	\$	\$
<b>Short-term employee benefits:</b>		
Cash salary, fees and short-term compensation	1,957,635	1,634,319
<b>Long-term employee benefits</b>		
Share-based payments	1,405,563	1,224,419
	<b>3,363,198</b>	<b>2,858,738</b>

### Shareholding

Refer to the Remuneration Report which contains the number of ordinary shares in the parent entity held during FY24 and FY23 by each director and other KMP of the Company, including their personally related parties.

### Option holding

Refer to the Remuneration Report which contains the number of options granted to KMP during FY24 and FY23.

## Note 24 Cash flow information

### a) Non-cash investing activities

	2024	2023
	\$	\$
Right of use asset	34,785	479,194

### b) Changes in liabilities arising from financing activities

	2024	2023
	\$	\$
Opening balance	12,255,806	8,269,083
Net drawdown on loan from debt financier <sup>1</sup>	1,400,000	4,347,443
Transaction costs related to establishment of debt facility	(369,500)	(909,771)
Amortisation on borrowing costs	773,652	-
Lease liabilities	-	610,468
Repayments on lease liabilities	(174,557)	(61,417)
	<b>13,885,401</b>	<b>12,255,806</b>

<sup>1</sup> In the statement of cashflows the net drawdown of the debt warehouse (note 17a), the net repayment of the debt and client loans (note 11) have been included within investing activities. The net movement above excludes movements from client loans.

**Note 24 Cash flow information (continued)**

**c) Reconciliation of Cash Flow from Operations with Loss before Income Tax**

	Consolidated	
	2024	2023
	\$	\$
Loss after Income Tax	(13,205,019)	(11,002,914)
<i>Cash flows excluded from loss attributable to operating activities</i>		
<i>Non-cash Flows in Loss</i>		
Depreciation charge and amortisation expense	3,662,728	3,854,967
Amortisation of borrowing costs	773,652	355,310
Fair value adjustment	1,725,000	-
Share-based payments expense	1,823,051	1,498,960
Shares issued in lieu of salary	-	773,458
Reversal of general interest charges	-	(107,409)
Foreign exchange movements	5,750	10,628
Impairment on receivables and credit losses	60,046	66,775
<i>Changes in assets and liabilities:</i>		
(Increase)/Decrease in trade and other receivables	(171,454)	1,532,802
(Increase)/Decrease in other current assets	(131,209)	312,322
Decrease in loan receivable	-	99,897
Increase/(Decrease) in trade payables, provisions and accruals	(393,091)	278,758
<b>Net cash used in operating activities</b>	<b>(5,850,546)</b>	<b>(2,326,446)</b>



## Note 25 Parent entity information

Spenda Limited was the parent company of the consolidated entity throughout the financial year ended 30 June 2023. The results and financial position of the parent entity are detailed below:

	Consolidated	
	2024	2023
	\$	\$
<b>Statement of profit or loss and other comprehensive income</b>		
Loss after income tax	(13,205,019)	(10,995,323)
<b>Total comprehensive loss</b>	<b>(13,205,019)</b>	<b>(10,995,323)</b>
<b>Statement of financial position</b>		
Current assets	2,778,759	4,346,558
Non-current assets	32,609,143	34,593,530
<b>Total assets</b>	<b>35,387,902</b>	<b>38,940,088</b>
Current liabilities	883,845	752,062
<b>Total liabilities</b>	<b>883,845</b>	<b>752,062</b>
<b>Net Assets</b>	<b>34,504,057</b>	<b>38,188,026</b>
<b>Equity</b>		
Contributed equity	172,960,699	165,030,603
Share-based payment reserve	4,217,547	10,564,142
Accumulated losses	(142,674,189)	(137,406,719)
<b>Total Equity</b>	<b>34,504,057</b>	<b>38,188,026</b>

## Note 26 Auditor's remuneration

	Consolidated	
	2024	2023
	\$	\$
<i>HLB Mann Judd</i>		
Audit and review of financial statements	116,183	83,835
Non-audit services (taxation compliance)	20,500	71,150
	<b>136,683</b>	<b>154,985</b>

## Note 27 Contingent assets and liabilities

The Group has no contingent assets or liabilities as at 30 June 2024 (30 June 2023: nil).

## Note 28 Commitments

The Group has commitments of \$55,757 as at 30 June 2024 in relation to its Indian office (30 June 2023: nil).

## Note 29 Matters subsequent to the end of the financial year

The Group has commitments of \$55,757 as at 30 June 2024 in relation to its Indian office (30 June 2023: nil).

On 16 July 2024, the Company announced it had signed a binding Share Sale Agreement (“SSA”) to acquire 100% of the issued capital of Limepay Pty Ltd (“Limepay”), for up to \$8m, in an all-script transaction.

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

Completion of the SSA is subject to and conditional on the satisfaction of various Conditions Precedent, which include:

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

As announced on 16 August 2024, the Company will hold a General Meeting on 17 September 2024.

## Consolidated Entity Disclosure Statement

The consolidated entity disclosure statement has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year, in accordance with AASB 10 Consolidated Financial Statements

Name of Entity	Type	% Share Capital	Place of Business	Australian Resident or Foreign Jurisdiction
Spenda Limited	Body Corporate	100%	Australia	Australia
Spenda Business Services Pty Ltd	Body Corporate	100%	Australia	Australia
Spenda Cash Flow Pty Ltd	Body Corporate	100%	Australia	Australia
Spenda Cash Flow Trust 1	Trust	-	Australia	Australia
Spenda Finance Pty Ltd	Body Corporate	100%	Australia	Australia
Anthem Software Pty Ltd	Body Corporate	100%	Australia	Australia
Spenda India Technologies Private Limited	Body Corporate	100%	India	Australia & India
Spenda Singapore Pte Ltd	Body Corporate	100%	Singapore	Australia

**Directors' declaration**

The Directors of Spenda Limited declare that:

- a) in the Directors' opinion the financial statements and notes and the Remuneration Report in the Directors' Report set out on pages 16 to 80 are in accordance with the Corporations Act 2001, including:
  - i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
  - ii) complying with Australian Accounting Standards and Corporations Regulations 2001 and other mandatory financial reporting requirements; and
- b) the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board as disclosed in note 2(a);
- c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- d) the consolidated entity disclosure statement is true and correct

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Board.



Adrian Floate  
Chief Executive Officer and Managing Director  
29 August 2024

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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Spenda Limited

### **Report on the Audit of the Financial Report**

#### *Opinion*

We have audited the financial report of Spenda Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Material Uncertainty Related to Going Concern*

We draw attention to Note 2a)(v) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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**HLB Mann Judd ABN 22 193 232 714**

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In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Recoverability of the client loans</b> Refer to Note 11</p> <p>The Group recognised a loss allowance for expected credit losses (ECL) amounting to \$100,831 in accordance with AASB 9 <i>Financial Instruments</i>.</p> <p>The expected credit loss model developed by management to estimate expected credit losses requires judgement and assumptions to be made including but not limited to:</p> <ul style="list-style-type: none"> <li>- methodology of assessing increased credit risk, integrating quantitative and qualitative information;</li> <li>- Determination of what amount of loan book is at risk of loss (LGD); and</li> <li>- Determining the probability of default percentage (PD).</li> </ul>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>- We assessed whether the model meets the requirements of AASB 9 and industry practice;</li> <li>- We tested on a sample basis, individual exposures to assess if they are classified into appropriate default stages and aging buckets for the purpose of determining the ECL allowance;</li> <li>- We have specifically reviewed the recoverability of stage 2 debtors;</li> <li>- We assessed the reasonableness of assumptions driving probabilities of default (PD), loss given default (LGD) and exposure at default (EAD) including performing retrospective review of the key assumptions; and</li> <li>- We have reviewed and assessed the adequacy of disclosures.</li> </ul>
<p><b>Carrying amount of intangibles including goodwill</b> Refer to Note 14</p> <p>The Group has intangible assets including goodwill of \$28,714,816.</p> <p>AASB 136 <i>Impairment of Assets</i> requires goodwill to be assessed for impairment annually. The impairment assessment involves a comparison of the recoverable amount of the cash generating unit to which the goodwill was allocated to the carrying amount of the related items in the balance sheet. The recoverable amount is the higher of fair value less costs of disposal and value-in-use. Management employed the traditional approach to the value-in-use model.</p> <p>The evaluation of carrying value of goodwill is considered a key audit matter as it was based upon a value-in-use calculation which required significant judgement and estimation. In addition, the balance is material to the users of the financial statements and involved the most communication with management.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>- We critically evaluated management's methodology in the value-in-use model and the basis for key assumptions;</li> <li>- We reviewed the mathematical accuracy of the value-in-use model;</li> <li>- We performed sensitivity analysis around the key inputs used in the model;</li> <li>- We considered the appropriateness of the discount rate used;</li> <li>- We compared value-in-use to the carrying amount of the cash-generating unit and ensured the necessary impairment expense was recorded; and</li> <li>- We assessed the adequacy of the disclosures included in the relevant notes to the financial report.</li> </ul>

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Key Audit Matter	How our audit addressed the key audit matter
<p><b>Valuation on unlisted investments</b> Refer to Note 11</p>	
<p>The Group recognised a decrease in the change in fair value of an unlisted investment during the year of \$1,725,000.</p> <p>The valuation of financial instruments requires significant judgement in relation to the unobservable inputs in valuation model.</p> <p>The valuation of level 3 fair value hierarchy unlisted investments is considered a key audit matter as it was based upon valuation techniques which require significant judgement and estimation.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>- We assessed whether the valuation meets the requirements of AASB 13 and industry practice;</li> <li>- We assessed the inputs into the valuation model; and</li> <li>- We reviewed and assessed the adequacy of disclosures in financial statements.</li> </ul>
<p><b>Revenue recognition</b> Refer to Note 2j and 4a</p>	
<p>The Group derives revenue from multiple sources including software development services and client loan interest being the most material during the year.</p> <p>Due to audit effort required, the nature of the Group's revenue streams and the judgement required in application of AASB 15 in multi-element arrangements, revenue recognition is considered a key audit matter.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>- Our procedures included but were not limited to the following:</li> <li>- We assessed the appropriateness of the revenue recognition accounting policies;</li> <li>- For material new software development contracts, we assessed the performance obligations identified and the timing of revenue recognition being the main risk areas;</li> <li>- On a sample basis we substantiated fees charged on the client loans.</li> <li>- We reviewed and assessed the adequacy of disclosures in financial statements.</li> </ul>

*Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we

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conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **REPORT ON THE REMUNERATION REPORT**

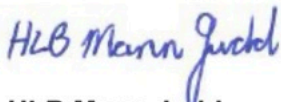
### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Spenda Limited for the year ended 30 June 2024 complies with Section 300A of the *Corporations Act 2001*.

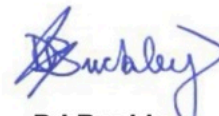
### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**HLB Mann Judd**  
Chartered Accountants

**Perth, Western Australia**  
**29 August 2024**



**D I Buckley**  
Partner

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## Additional stock exchange information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is effective as at 16 August 2024.

### Substantial shareholders

The Company has been notified of the following substantial shareholding:

	No of Shares	% Held of Issued Ordinary Capital
Invia Custodian Pty Ltd <Capricorn Society Limited>	625,575,206	14.49%
Adrian Floate and associated entities	307,110,077	7.10%

### Top 20 Shareholders

Name of Shareholder	No of Shares	% Held of Issued Ordinary Capital
INVIA CUSTODIAN PTY LIMITED <CAPRICORN SOCIETY LIMITED>	626,575,206	14.49%
FAAF PTY LTD	131,068,757	3.03%
RARE AIR HOLDINGS PTY LTD	91,592,947	2.12%
A RAZAK GROUP PTY LTD	81,446,617	1.88%
DAVY CORP PTY LTD	75,676,998	1.75%
ANDREW HILTON	54,314,581	1.26%
MR ASHLEY ROBERT STENT	53,933,597	1.25%
MR ADRIAN JASON FLOATE & MRS ASHLEIGH ANN FLOATE	47,500,000	1.10%
TEMOREX P/L	39,986,701	0.92%
MR ASHLEY MALCOLM STUART CARTER	37,199,391	0.86%
BAGA RIVER INVESTMENTS PTY LTD	37,000,000	0.86%
MR ADRIAN FLOATE	35,828,178	0.83%
MR RICHARD ALAN JARVIS & MRS LINDA FRANCES JARVIS	34,000,000	0.79%
DHILLON ENTERPRISES PTY LTD	30,000,000	0.69%
PETER RICHARDS	29,767,232	0.69%
MRS VALERIA MARTINEZ VIADEMONTTE	26,936,597	0.62%
MR PETER IAN RICHARDS & MRS CAROL RICHARDS	25,188,889	0.58%
ASHRIN FAMILY PTY LTD	25,000,000	0.58%
MR RYAN WAYNE EARNSHAW	22,764,876	0.53%
CITICORP NOMINEES PTY LIMITED	22,182,070	0.51%
<b>Total</b>	<b>1,527,962,637</b>	<b>35.33%</b>

## Top 20 Listed option holders

Name of Option holder	No of Options	% Held of Issued CROO
MS SIHOL MARITO GULTOM	12,000,000	5.21%
FAAF PTY LTD <FLOATING ASSETS A/C>	11,111,111	4.82%
SPARK PLUS PTE LTD	11,111,111	4.82%
A RAZAK GROUP PTY LTD <A RAZAK GROUP FAMILY A/C>	11,111,111	4.82%
MR MARK JUNG KARKI	10,923,997	4.74%
MR TIMOTHY JAMES POLI	10,000,000	4.34%
MR PETER ANDREW PROKSA	10,000,000	4.34%
MRS VALERIA MARTINEZ VIADEMONTTE	9,831,556	4.27%
MR DRAGOSLAV JEVTIC & MRS NICOLE JEVTIC	9,000,000	3.91%
ASHRIN FAMILY PTY LTD <ASHRIN FAMILY A/C>	8,774,250	3.81%
ROSHERVILLE CAPITAL PTY LTD <ROSHERVILLE FUND A/C>	8,016,666	3.48%
EVOLUTION CAPITAL PTY LTD	6,838,750	2.97%
LYNX ADVISORS PTY LTD	6,209,097	2.70%
DAVY CORP PTY LTD <DAVY INVESTMENT A/C>	5,555,556	2.41%
GOLDFIRE ENTERPRISES PTY LTD	5,500,000	2.39%
DHILLON ENTERPRISES PTY LTD	5,500,000	2.39%
RED LEAF SECURITIES PTY LTD	4,535,750	1.97%
MR PETER IAN RICHARDS & MRS CAROL RICHARDS <RICHARDS FAMILY S/F A/C>	4,444,444	1.93%
MR JUSTYN PETER STEDWELL	4,055,545	1.76%
MR RODNEY DONALD ATKINSON	4,000,000	1.74%
<b>Total</b>	<b>173,376,449</b>	<b>75.27%</b>

## Range of Shareholders

Range	Total Holders	Units	% of Issued CROO
1 - 1,000	47	7,201	0.00%
1,001 - 5,000	41	149,802	0.00%
5,001 - 10,000	12	989,321	0.02%
10,001 - 100,000	2,431	146,892,017	3.40%
100,001 - 9,999,999,999	2,608	4,176,419,457	96.58%
<b>Totals</b>	<b>5,139</b>	<b>4,324,457,798</b>	<b>100%</b>

Based on the price per security of, number of holders with an unmarketable holding: 1,014, with total 28,135,772 amounting to 0.65% of Issued Capital.

## Range of Listed option holders

Range	Total Holders	Units	% of Issued CROO
1 - 1,000	3	560	-
1,001 - 5,000	-	-	-
5,001 - 10,000	2	13,695	0.01%
10,001 - 100,000	-	-	-
100,001 - 9,999,999,999	85	230,329,911	99.99%
<b>Totals</b>	<b>90</b>	<b>230,344,166</b>	<b>100%</b>

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### Unlisted options

60,000,000 unlisted options with an exercise price of \$0.084 per option are held by 3 individual option holders.

8,925,000 unlisted options with an exercise price of \$0.0175 per option are held by 46 individual option holders.

223,500,000 unlisted options with an exercise price of \$0.0175 per option are held by 12 individual option holders.

51,550,334 unlisted options with an exercise price of \$0.042 per option are held by 1 individual option holders.

39,500,00 unlisted options with an exercise price of \$0.0175 per option are held by 3 individual option holder.

23,600,000 unlisted options with an exercise price of \$0.02 per option are held by 37 individual option holders.

5,000,000 unlisted options with an exercise price of \$0.045 per option are held by 1 individual option holders.

100,00,000 unlisted options with an exercise price of \$0.10 per option are held by 1 individual option holders.

36,772,326 unlisted options with an exercise price of \$0.0175 per option are held by 1 individual option holders.

18,363,163 unlisted options with an exercise price of \$0.055 per option are held by 1 individual option holders.

18,363,163 unlisted options with an exercise price of \$0.04 per option are held by 1 individual option holders.

### Voting rights

The voting rights attached to ordinary shares are set out below:

#### *Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### Share buy-back

There is no current on-market share buy-back.

### Shareholder Enquiries

Shareholders with enquiries about their shareholdings should contact the share registry.

For change of address, change of name, consolidation of shareholdings, shareholders should contact the Share registry to obtain details of the procedure required for any of these changes.

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