



ASX Release

6 November 2024

## Capricorn Initiatives Update – DSD and SwiftStatement now commercial

### Key Highlights:

- **DSD Production Platform Commissioned:** first eCommerce Partner transactions have been processed successfully.
- **Upfront and recurring revenue:** Spenda has received \$990k in development fees and the recurring SaaS income of \$100k per month has now commenced.
- **SwiftStatement Commercial Launch:** the first revenues from *SwiftStatement* commenced on the 4<sup>th</sup> of November. The Company is now working with the Capricorn Sales and Marketing team to commercialise the product, with minimum revenues of \$1m for the December quarter on track.
- **Significant market opportunity:** Spenda and Capricorn continue to collaborate and commercialise Spenda products under mutually beneficial initiatives that improve service delivery to Capricorn's 30,000+ Members and circa 2,000 Preferred Suppliers.

Spenda Limited (**ASX:SPX, "Spenda" or "the Company"**), an innovative software company with an integrated set of capabilities that enable trading networks to buy, sell, and pay more efficiently, is pleased to announce that it has successfully launched the *SwiftStatement* product and commissioned the first eCommerce Partner platform to the Digital Services Delivery ('DSD') initiative with Capricorn Society Limited ('Capricorn').

These achievements are significant commercial milestones for the Company that ensure continued revenue growth of at least \$2.2m per annum, that includes \$1.5m in the current quarter. Noting that both Capricorn and Spenda are investing heavily in go-to-market activities to deliver success with these critical strategic initiatives, which Spenda anticipates will generate strong maintainable ARR and growth into 2025. These minimum revenues represent a growth of 44% in annual revenue.

The Capricorn relationship has been built on a strong history that commenced in 2003. More recently, the parties have undertaken the following key activities to joint commercialise Spenda's technology:



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- In May 2023, Spenda announced that the Company was selected as Capricorn's preferred vendor to deliver the first phase of the DSD initiative (Foundation Stage);
- On 31 August 2023, Spenda announced that the initial DSD project works were successfully completed and that negotiations had commenced to extend the foundational phase engagement;
- In October 2023, Spenda announced that it had entered into an 8-week contract to complete the final phase of the DSD initiative (Foundation Stage), which involved security and platform Proof of Concept ('PoC');
- In December 2023, Spenda announced that it has successfully completed the final phase of the DSD initiative (Foundation Stage), with Capricorn for the provision of software and eCommerce payments infrastructure;
- In late December 2023 both parties finalised a 10-year service agreement for commercial launch of the DSD in mid 2024;
- In January 2024, the Company announced Capricorn's investment of \$7.175m to acquire 14% of Spenda's issued capital; and
- In June 2024, Capricorn commenced piloting *Pay-Statement-By-Link* ('PSBL') as a solution to deliver Capricorn Members end of month reconciliation automation.

The DSD initiative is a significant and strategic project that upgrades the Capricorn accounts acceptance infrastructure enabling Capricorn's Member network to use their accounts with eCommerce enabled preferred Suppliers.

The DSD eCommerce infrastructure is built upon a license of Spenda's *PSBL* and *Payment Widget* solutions. The *PSBL* technology has been tailored to enable Members to view their live statement, integrate purchases into their financials and allow preferred Suppliers to process credits, this initiative has now been commercially launched under the brand *SwiftStatement*. The *Payment Widget* will be tailored to enable Member purchases to be charged to the Capricorn Trade Account via preferred Supplier eCommerce solutions.

To date, the Company has received \$990k (ex GST) in development fees (of a total \$1.3m) since the commencement of the DSD Project and the parties have also entered into a Master Services Agreement with a 10 term + 10 year option, which if exercised, would extend the agreement to a 20 year term.

#### **SwiftStatement Update – Commercial Launch Commenced**

Following a successful pilot which was completed in September 2024, the Company is pleased to announce the commercial launch of *SwiftStatement* to Capricorn Members has commenced with Spenda also having executed a Preferred Supplier Agreement with Capricorn. The success of the pilot confirmed the market fit for *SwiftStatement* to the Capricorn member base.

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

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





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

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

The partners are continuing to explore new opportunities to use Spenda's software to drive combined value across the Capricorn trading network.

Managing Director Adrian Floate commented, "Capricorn has a significant network of buyers and sellers. Spenda has a breadth of technology built to improve the way businesses buy and sell from each other. Today, we took a significant step forward in leveraging each other's strengths to bring a commercial innovation to market that should improve each company's future."

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## About Spenda

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

Spenda's payments solution has three components – Software, Payments & Lending – and enables end-to-end e-invoicing integration, rapid ordering, digital trust and automated reconciliation. Spenda creates an industry standard operating environment (SOE) that enables the effective and seamless transfer of data from multiple, disparate software systems in one standardised technology solution. Spenda combines five vendors into one solution with end-to-end software integration as well as ledger-to-ledger integration to improve operational efficiency for all trading parties in the supply chain.

Spenda captures transactions and payments through the value chain, generating layered revenue streams from SaaS, both B2B and B2C payments and B2B supply chain finance. Spenda's ability to analyse and understand payment flows throughout these networks enables the Company to offer customised financing solutions to clients, in order to improve their working capital efficiency and cash utilisation throughout their operations.

## About Capricorn

Capricorn is a member-based organisation established in 1974 to primarily support businesses in the automotive industry. Its current network consists of over 30,000 Members and more than 2,000 preferred Suppliers in every State and Territory in Australia and New Zealand. Capricorn's Members purchase ~\$270 million per month in parts from the approved Supplier network.



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This announcement has been authorised by the Company Secretary.

**Investor Enquiries**

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

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