ASX:SPX

Q3 FY24 Business Update

Investor Webinar

7 May 2024

Spenda Limited (The Company)

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- Global financial conditions;
- Financing risks;
- Degree of competition in the industry;
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All references to currency are in AUD unless otherwise specified.

Key Highlights in Q3 FY24

- Record Q3 cash receipts from customers of $1.45m, up 77% on pcp and up 5% qoq
- Pipeline of work at record highs, revenue ramp-up slower than expected, internal scale-up underway
- Initial roll-out of new AirPlus facility to an initial 10 customers
- Payment volumes up 140% on pcp, down 16% qoq. Q3 is seasonally weak for carpet sales
- Cornerstone investment from Capricorn has strengthened balance sheet and cash balance to $10.5m
- Clear pathway to revenue growth based on current pipeline of contracted work with existing partners

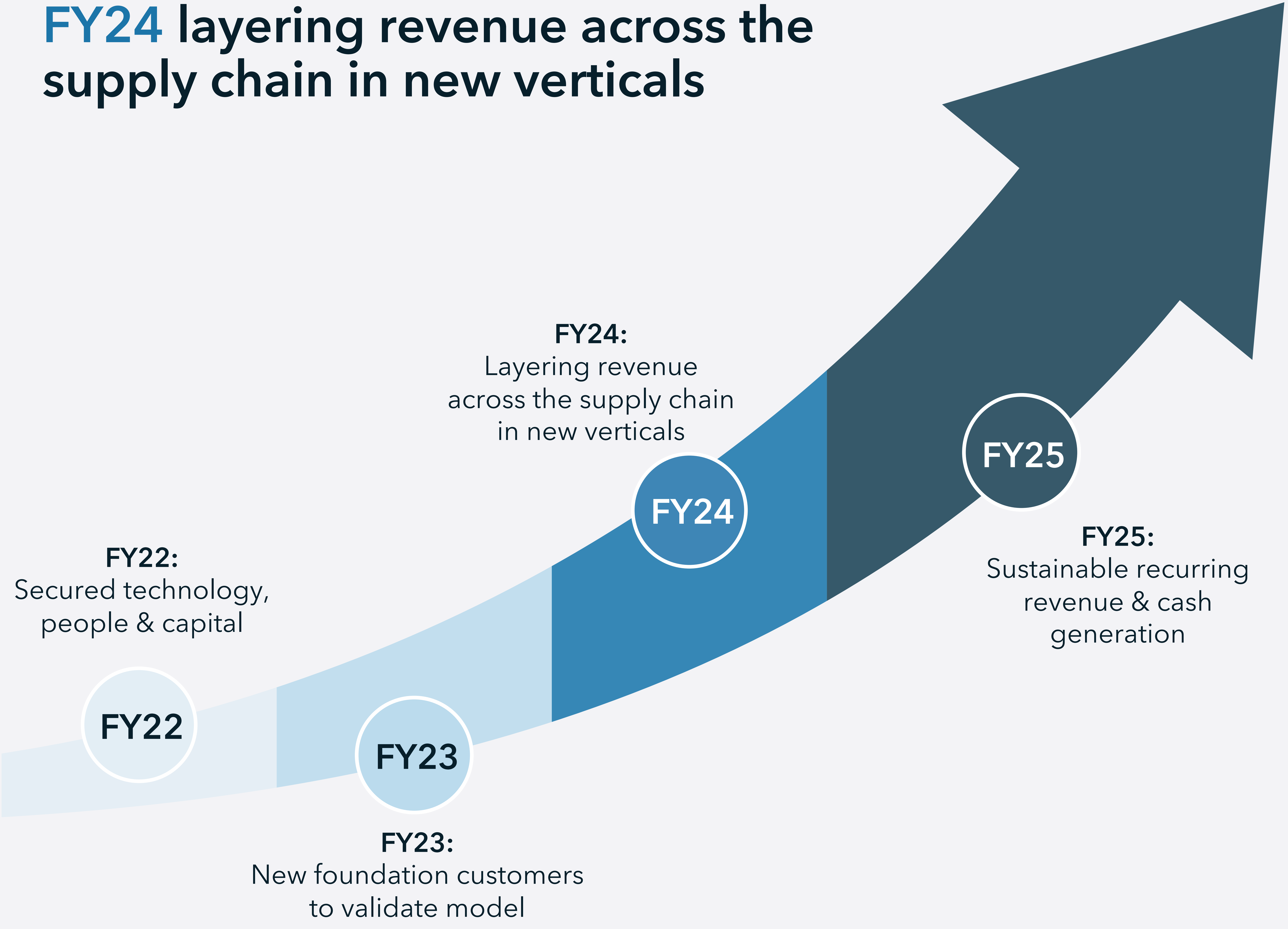
UNIQUE CUSTOMER VALUE PROPOSITION

Spenda is an **innovative software company** providing **electronic payment solutions** across **supply chains** and **trading networks.**

Spenda is both a **software solutions provider** and a **payment processor.**

Spenda's mission is to **deliver customers the ultimate platform** with an integrated set of capabilities that **disrupt single product vendors** and enable us to scale revenues whilst delivering a compelling ROI to our customers.

FY24 layering revenue across the supply chain in new verticals



Previous Acquisitions

Appstablishment.

INVIGO

greenshoots

Customers & Partnerships

eBev

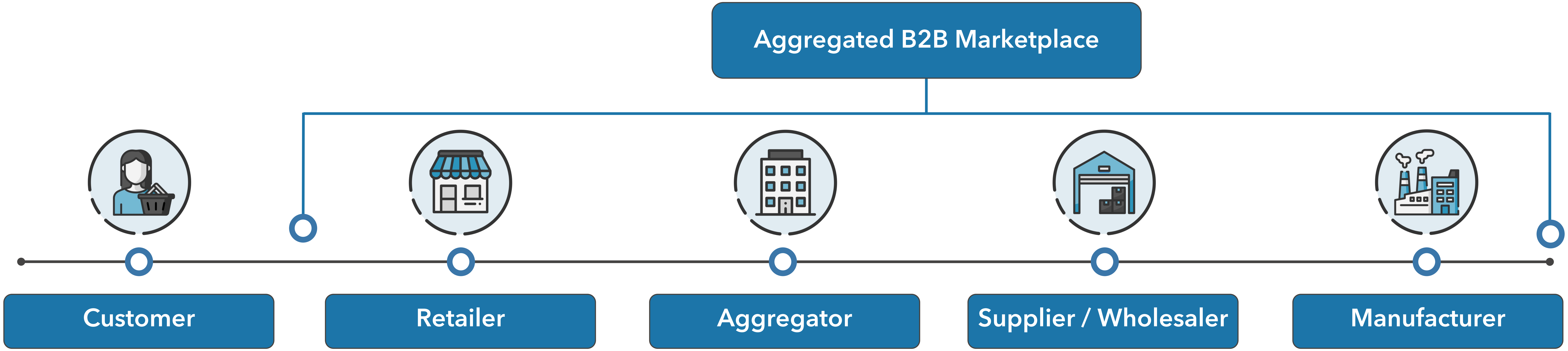
CARPET COURT

CAPRICORN PREFERRED SUPPLIER

Fresh Supply Co.

AirPlus
Smarter payment. Better business.

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.

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

Benefits of Spenda’s unique business model

01 Combines five vendors into one solution, leading to diversified revenue streams and de-risked overall implementation for a network of trading parties

02 End-to-end software integration through the supply chain enables long term customer contracts with low customer churn and high barriers to entry

03 Ledger-to-ledger integration reduces administration costs and improves operational efficiency for all trading clients

04 Scalable solution with layered revenue streams over time, including from SaaS, both B2B and B2C payments and B2B supply chain finance

05 Captures transactions and payments through the value chain, including new virtual card product, with the ability to retain the large payment flow of end-consumers at a low cost of acquisition

Spenda's five core products generate revenue from SaaS, payments and lending

Standard Operating Environment (SOE)

- Set of capabilities than spans POS, service management and eCommerce
- These solutions optimise the customers quote-to-pay flow
- Revenue streams include SaaS, payments

Accounts Payable

- Automation of the finance roles that process purchase invoice-to-pay workflows.
- Recognised when the seller initiates the transaction
- Revenue streams include SaaS, payments and lending

AirPlus
Smarter payment. Better business.

Accounts Receivable

- Automation of customer invoicing, dispute management and payment processing
- Recognised when the buyer initiates the transaction and distributes and invoice to its customer
- Revenue streams include SaaS, payments and lending

AirPlus
Smarter payment. Better business.

Marketplace

- Automation of buying and procurement through eOrdering and eInvoicing
- Includes early settlement discounts
- Revenue streams include SaaS, payments and lending

AirPlus
Smarter payment. Better business.

Payment Widget

- Capability for ecommerce and marketplace to capture payment and lending flow including private credit
- Revenue streams include SaaS, payments and lending

AirPlus
Smarter payment. Better business.

These five core products can be bundled in different combinations for different clients

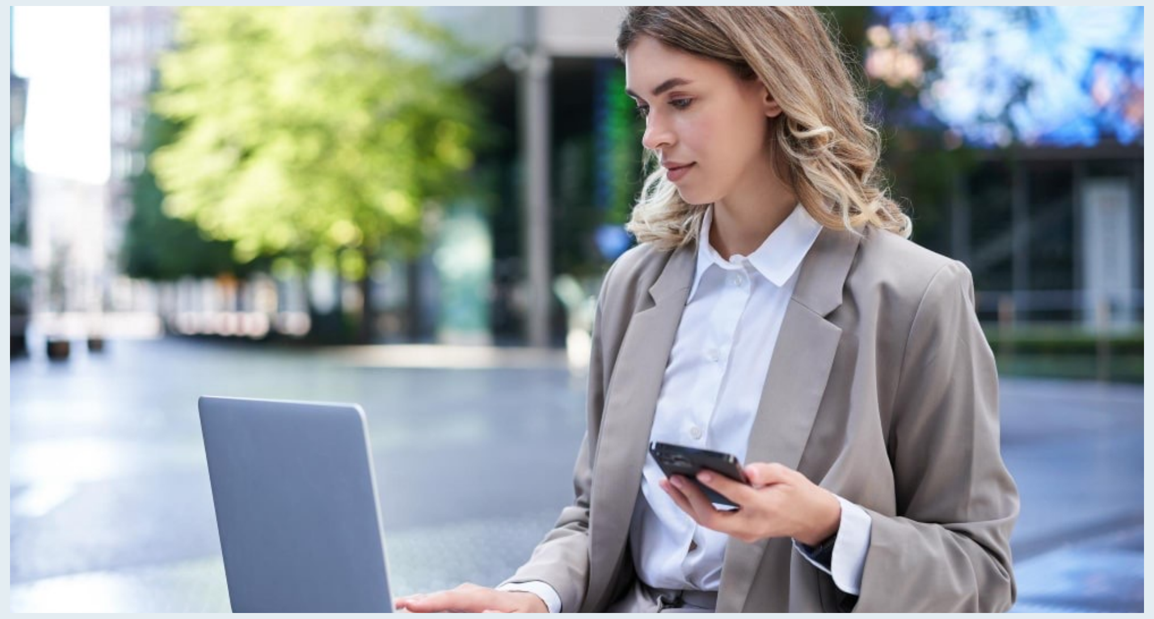
AirPlus
Smarter payment. Better business.

AirPlus gives Spenda a credit facility which is elastic and scalable without exposing the balance sheet

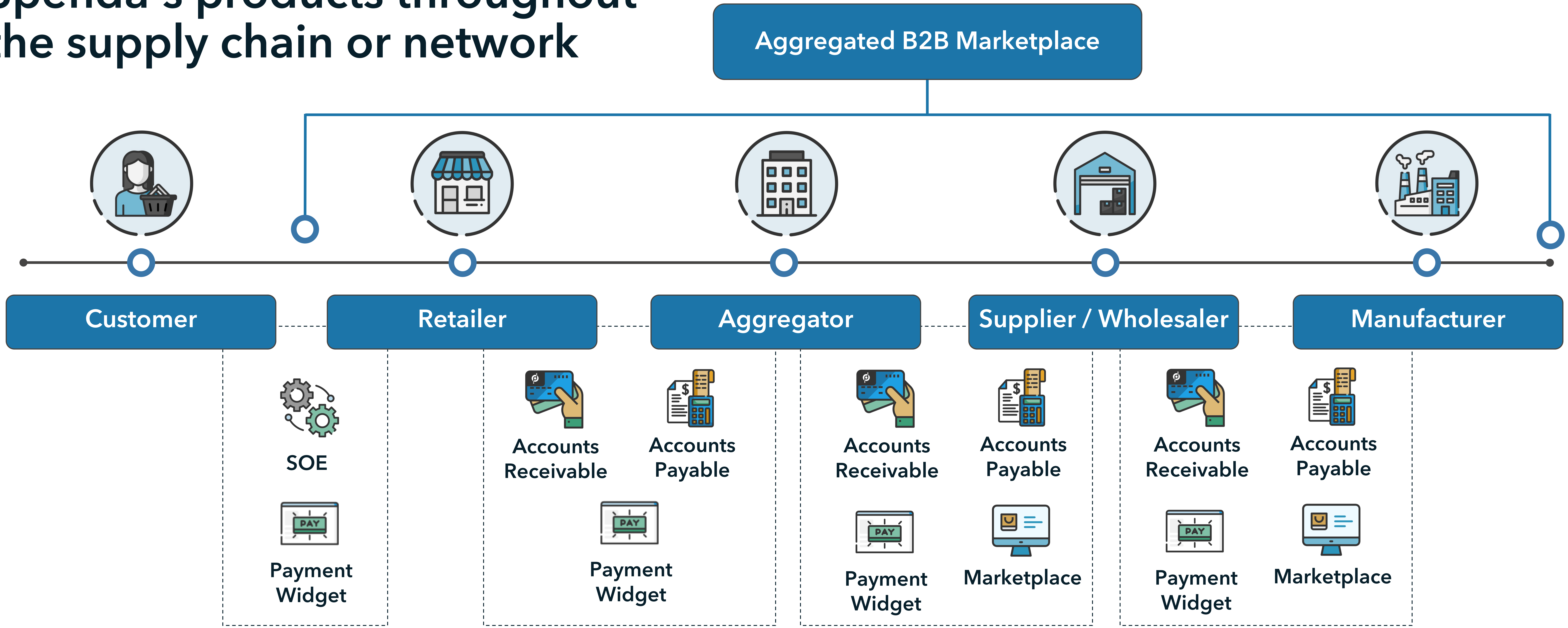
- AirPlus International is a leading international provider of solutions in the corporate payment segment
- Around 53,000 corporate customers rely on AirPlus when it comes to paying for and analysing their business travel and other purchasing activities
- AirPlus is an issuer under the UATP and Mastercard card schemes

Q3 FY24 Update

- In November 2023, Spenda 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
- The AirPlus product can be bundled with either the Pay-Statement-By-Link (PSBL) or the Accounts Payment (AP) offering to replace traditional supply side credit.
- Spenda has commenced rolling out the new AirPlus card facilities to an initial 10 customers, with approved limits of $3.3m and a further 10 customers are currently in the onboarding stage.
- The product has been initially launched into current customer channels that include eBev and Carpet Court
- The continued rollout of AirPlus facilities is expected to continue in Q4 FY24 and FY25.



Spenda's products throughout the supply chain or network

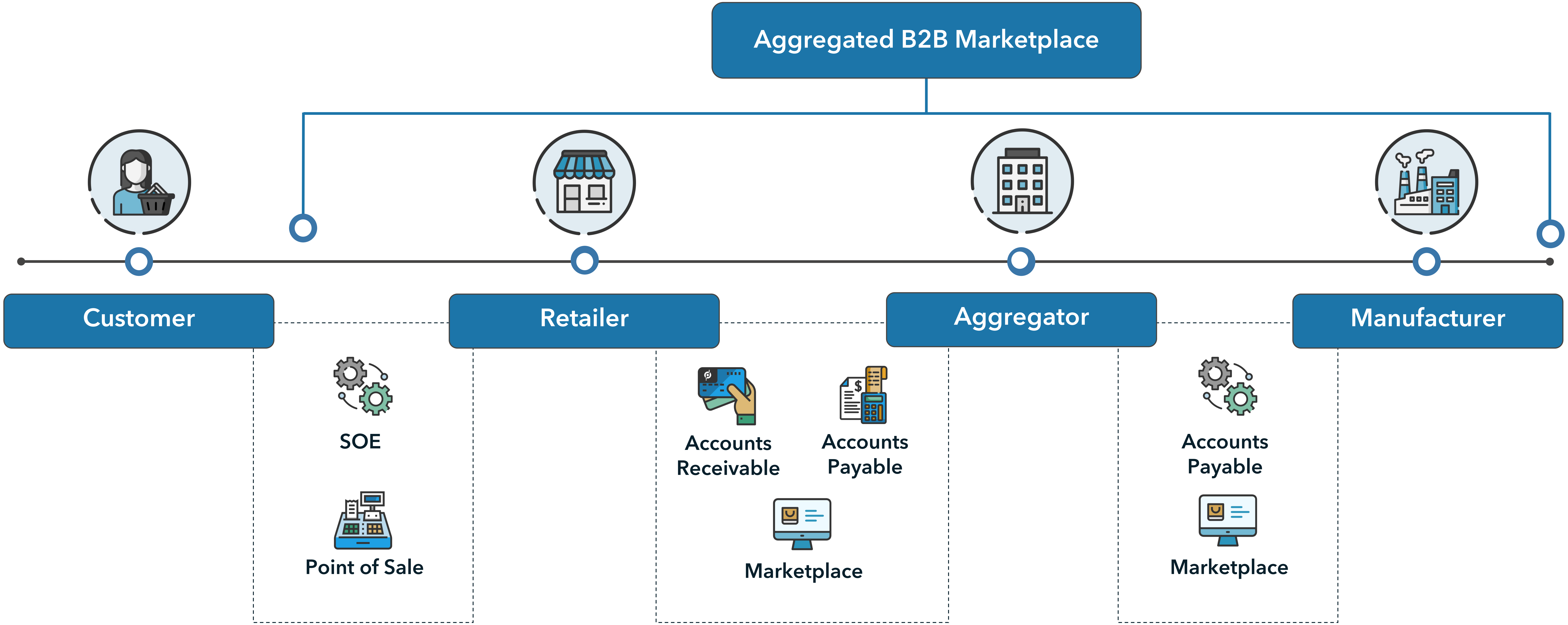


Spenda has bundled solutions for:

- Network engagement – eInvoicing, dispute management, B2B payments
- Demand side engagement – Standard Operating Environment (SOE) and B2C payments
- Supply side engagement – Procurement and early settlement discounts

Spenda's products throughout the Carpet Court network

CARPET COURT
DREAM IT. STYLE IT. LIVE IT.



- In the Carpet Court supply chain, the supplier node has been removed as they manufacture and supply their own carpet
- In the Carpet Court channel, Spenda generates revenue from SaaS, payments and lending

CARPET COURT
DREAM IT. STYLE IT. LIVE IT.

Transforming Carpet Court's payments infrastructure from consumer to supplier

- Carpet Court is the largest floor covering specialist in Australia, with a growing network of 205 franchised stores
- Carpet Court has a presence in every State and Territory with annual retail sales of ~$500m.

Q3 FY24 Update

- Roll out of of Spenda's payments infrastructure between Head Office and the network of 205 franchise stores (buyers)
- All of the payment flow from the 205 stores to Carpet Court's National Support Centre is processed through the Spenda platform
- Spenda's Accounts Receivable and PSBL solutions now deliver e-invoicing, dispute management and B2B payments to the Carpet Court network
- Spenda's payments infrastructure is saving each store up to 5 hour per week or 27 FTE across the network
- Total payments volumes in Q3 FY24 of $54m, up 140% yoy and down 16% qoq reflecting a seasonally weak Q3 for carpet sales and payment flow through the network

CARPET COURT
DREAM IT. STYLE IT. LIVE IT.

Spenda is now the leading payments vendor to the Carpet Court store network with 16% market share acquired

Carpet Court has nominated Spenda as the 'Franchise Supplier of the Year'

Programs of work currently underway

1. Pay-Statement-By-Link extensions – B2B Store to Head Office Engagement

- Extended store credit
- Adding AirPlus facilities to store network
- Upgrading store network to Spenda AP

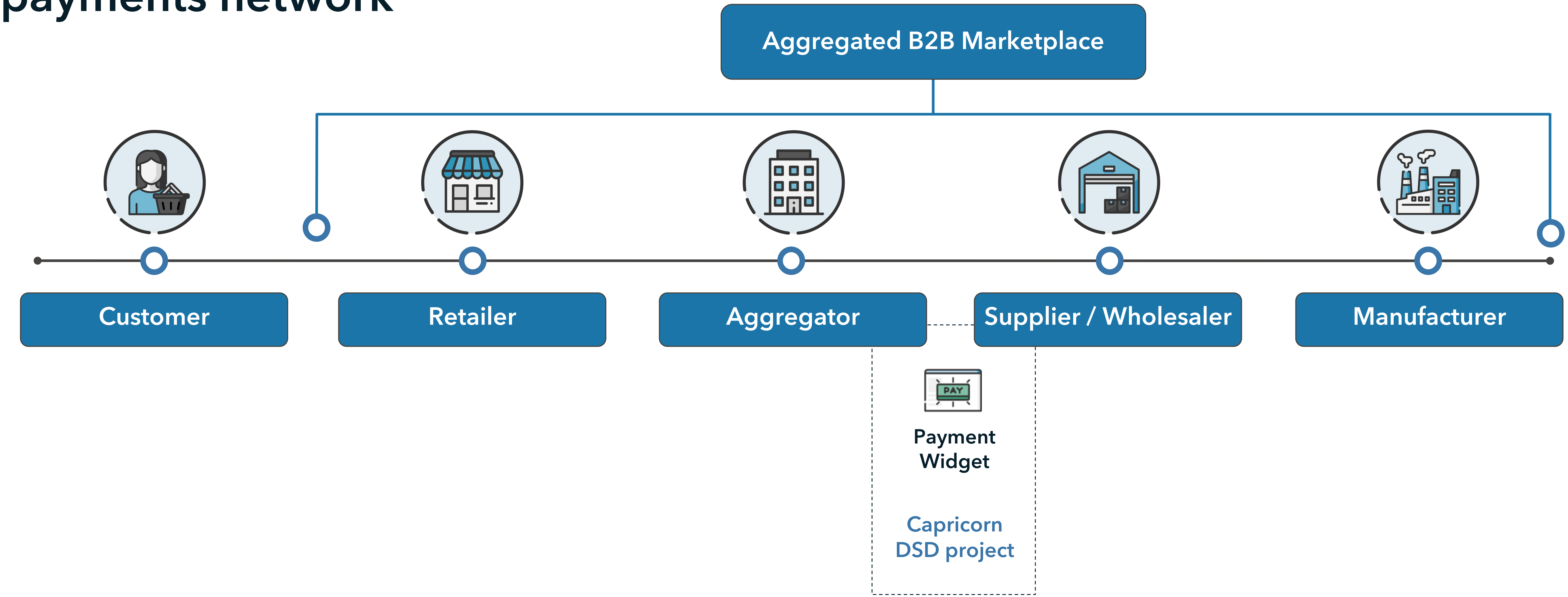
2. Store Solutions – B2C Engagement

- SOE project to manage quote-to-install payment flow to be rolled out from June 2024
- Launched consumer payment services, includes digital payment options and POS terminals in-store. Expect to be fully rolled out by June 2025 and generate ~$4 in annual revenue.

3. Supplier Solutions – Manufacturer Engagement

- Working on new marketplace product to digitise procurement

Early days in the digital transformation of the Capricorn payments network



- There is significant scope for product expansion throughout Capricorn's network over time

STRONGER WITH CAPRICORN™

Early days in a long-term partnership with Capricorn

- Capricorn is a member-based organisation established in 1974 to primarily support businesses in the automotive industry
- The network consists of over 26,000 Members and more than 2,000 preferred Suppliers in every State and Territory in Australia and New Zealand
- Capricorn's Members purchase ~$270m per month in parts from the approved Supplier network

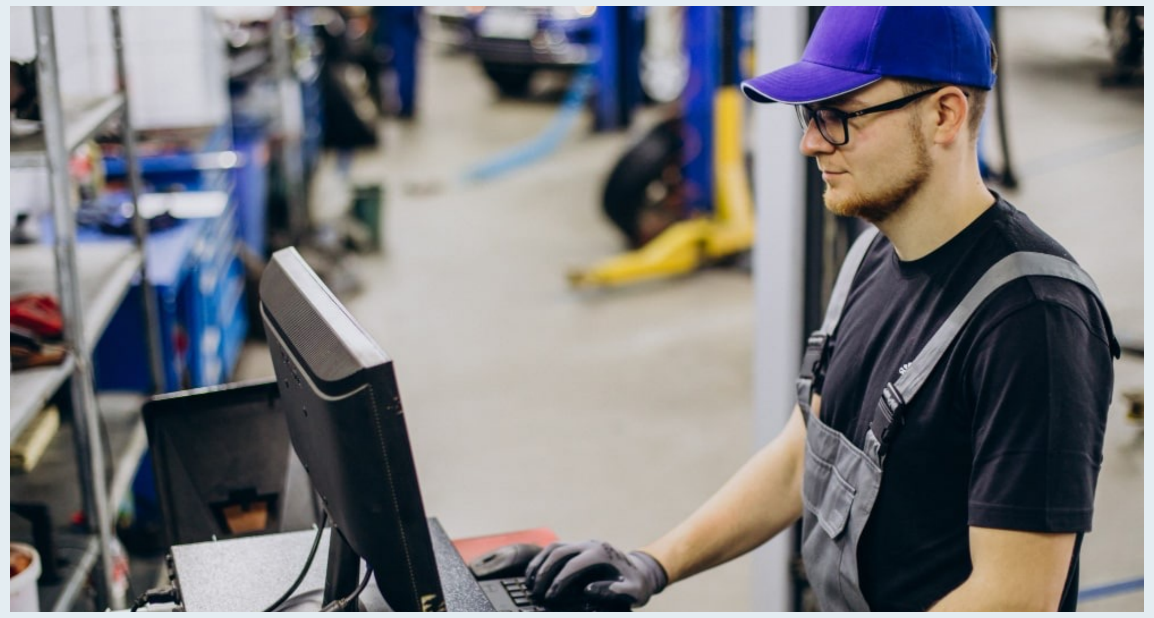
Q3 FY24 Update

- Capricorn's cornerstone investment of $7.175m in Spenda in January 2024
- Capricorn's digital transformation project will run over the next decade and incorporate multiple projects and revenue streams

Current priorities include:

- BAU maintenance of Capricorn supplier network utilising CAPlink
- Progressing the Capricorn Digital Services Delivery (DSD) project, which is expected to move into production in Q1 FY25, on-time and on-track
- Developing innovative solutions to deliver PSBL into the Member network
- Identification of new projects to further digitise and improve the Capricorn network engagement, wallet share and stickiness

Recurring revenues from the Capricorn channel are expected to commence in Q1 FY25 (the September quarter).



Upcoming operational milestones in Q4 FY24

Further penetration through Carpet Court supply chain

- Ongoing roll out of B2C payments across Carpet Court store network
- Working on SOE solution for store network and on new B2B suppliers

Commercial launch with Capricorn

- Continued work on DSD project, expected to move into production in Q1 FY25, on-time and on-track
- Identification of new projects

Clear pathway to revenue growth

- Existing partnerships with Carpet Court, Capricorn, eBev and AirPlus remain on track
- Strong revenue growth trajectory based on the current pipeline of contracted work

Expansion of AirPlus

- Continued roll out of AirPlus facilities across new and existing customer networks

Roll out with eBev

- Integrating payments solutions into eBev platform
- Capture B2B payment flow and initial roll out of B2C payments

FY25 revenue growth

- Multiple new revenue streams are expected to start in FY25
- FY25 revenue is expected to be greater than FY24

Thank you.

Approved by Adrian Floate, Managing Director

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