

Revenue growth from key strategic partnerships, with further growth expected in 2H FY24

Key Highlights for the half year ended 31 December 2023:

- **Total revenue** of \$2.7m, up 102% on pcp, driven by an expansion of revenue from key strategic partnerships
- **Gross profit** of \$1.6m, up 138% on pcp, reflecting higher gross margin projects in 1H FY24
- **EBITDA loss** of \$3.1m, an improvement of 10% on pcp, due to stabilised cost base and growing revenue
- **Loss after tax** of \$6.1m, down 8% on pcp
- **Cash and cash equivalents** of \$6m
- **Revenue and earnings growth expected in 2H FY24**

Spenda Limited (ASX:SPX, "Spenda" or "the Company") today reported its financial results for the half year ended 31 December 2023 ("1H FY24").

1H FY24 Financial Overview

\$'m	1H FY24	1H FY23	% change
Revenue - incl. SaaS & Payments	1.2	0.2	+434%
Revenue - lending	1.4	1.1	+30%
Total Revenue	2.7	1.3	+102%
Gross Profit	1.6	0.7	+138%
EBITDA	(3.1)	(3.4)	+10%
Net Loss After Tax	(6.1)	(5.7)	-8%
Cash and cash equivalents	6.0	4.3	+\$1.7m



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Overview of 1H FY24 Results

1H FY24 total revenue was \$2.7m, up 102% on prior corresponding period ('pcp'). This was predominately due to a significant expansion of revenue from the Company's key strategic customers, including the milestones achieved with Capricorn.

Revenue from lending was up 30% on pcp to \$1.4m and other revenue, that included payments and implementation fees, was up 52% on pcp.

Gross profit was \$1.6m, up 138% on pcp, reflecting strong margins achieved across all revenue line items.

Over the past six months, Spenda signed several partnership agreements which have the potential to transform its revenue and earnings growth trajectory over the years ahead, through the layered revenue streams from B2B and B2C payments and B2B supply chain finance, across different customers and across different verticals.

In December, Spenda announced a 10-year Master Services and License Agreement ('MSLA') with Capricorn for the provision of software and ecommerce payments infrastructure and a partnership with eBev to offer integrated payments solutions across the hospitality supply chain.

The financial contribution of these two new partnerships is expected to increase from 2H FY24 onwards, however expenses were incurred in 1H FY24 to secure these new contracts.

EBITDA loss of \$3.1m in 1H FY24, represented an improvement of 10% on pcp.

Operating expenses increased 14% to \$5.4m, compared to \$4.7m pcp, which reflects the upfront investment required to onboard and roll out new customer contracts.

Note that operating expenses included \$880k in share-based payment expenses, being non-cash in nature.

Higher depreciation and amortisation (up 20% on pcp) and interest expense (up 98% on pcp) resulted in marginal increase of 8% in the loss after income tax from 1H FY23.

The cash balance of \$6m at 31 December 2023 has further increased following the \$7.2m private placement in January 2024.

Growth in revenue and earnings expected in 2H FY24

In 2H FY24, Spenda is focused on the roll-out and ramp-up of programs of work with Carpet Court, Capricorn, eBev and AirPlus. The additional revenue streams associated with these contracts are expected to lead to continued growth in revenue and earnings in 2H FY24.

- Spenda is currently delivering terminals to the Carpet Court franchise stores to increase the B2C payment flow through Spenda's platform and expects both B2B and B2C payments volumes and associated revenues from Carpet Court to scale further moving forward.



- Spenda is working closely with Capricorn to customise its payments infrastructure for use by Capricorn’s Members and preferred Supplier network over the next six months, with the onboarding of the initial cohort of suppliers expected to commence in mid-2024.
- Spenda is now integrating its payment solutions into the eBev platform to capture B2B payment flow and B2C payments and the first phase of the commercial rollout to 100 initial clients is expected in 2H FY24.
- In November, Spenda signed a payment processing agreement with international corporate payment specialist, AirPlus, to jointly offer a virtual card product. In 2H FY24 Spenda started rolling out the AirPlus facility to select new customers.

Managing Director Adrian Floate said:

“Over the past six months, we have laid the foundations to build a unique payments business with the potential to generate high margin, recurring revenue from long term customer contracts.

Our first half results only include the very early revenue contribution from these contracts, together with the costs associated with the contract acquisition and onboarding of new customers.

Over time, we expect to accelerate growth through layered revenue streams across customers in different industry verticals and we expect continued growth in revenue and earnings in 2H FY24.”

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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.

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

This announcement has been authorised by the Board.

Investor Enquiries

Please email: investors@spenda.co



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