

ASX: 9SP  
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## **2022 Annual Meeting of Shareholders Prepared Announcement**

9 Spokes International Limited (“9Spokes” or the “Company”) will today present the following prepared Chair’s address at the 2022 Annual Meeting of Shareholders. There will not be a CEO address.

Announcement authorised by 9Spokes’ Company Secretary, Marty Montague

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## Chair's address

My name is Kevin Phalen, and it is my privilege to be addressing you today as the Chairman of 9Spokes.

The Board has also agreed that I provide the key address to shareholders today.

My fellow director Shelley Ruha will also address the meeting ahead of the Resolution to re-elect Shelley to the Board of the Company.

I joined the Board in June 2021 having been introduced to the Company while I was Head of Visa Business Solutions in 2019. I have over 30 years' experience in financial institutions in the United States including senior management roles at Bank of America, JPMorgan and Visa. In each of these institutions my focus was growing profitable global solutions for my institutions and shareholders.

Firstly, I would like to acknowledge that this year has been extremely challenging for our shareholders and the Company. The Board fully accepts that it will need to work hard to win back the support and trust of all shareholders.

As your new Chairman, I would like to confirm that we are fully committed to the key objective of the recently announced Strategic Review – specifically, to preserve value for shareholders – and are taking all appropriate steps to do so.

I will now cover off recent events before providing an update on the Strategic Review.

### Recent events

The Company sought voluntary suspension from the ASX on 30 May 2022 pending submission of its Full Year 2022 statutory accounts while efforts continued at that time to raise capital. On 29 July 2022, the Company subsequently filed its FY2022 Financial Statements which recorded a loss of NZ\$6.194m for the period.

The Company's shares have remained in voluntary suspension while the Board completes its Strategic Review which was announced on 18 July 2022.

The Company also announced on 18 July 2022 that it had raised AU\$1.119m for working capital purposes through a placement of new shares to original and existing shareholders (which settled on 3 August 2022). Those shareholders also offered a small working capital facility which currently the Company has not required.

The Board wishes to acknowledge both the support and commitment of these shareholders to the Company.

Importantly, this provision of working capital has allowed the Company to undertake the Strategic Review.



The Board of the Company also changed with Paul Reynolds and Thomas Power resigning as directors, and I was elected Chairman of the Company. Shelley Ruha and I are the independent directors of the Company with Adrian Grant as co-founder and CEO. Adrian continues to have the support of the Board.

## **Update on the Strategic Review**

Recent events have proved to be an inflection point for 9Spokes as a publicly listed company.

As I said earlier, the key objective of the Strategic Review is to preserve value for shareholders. Raising further dilutive equity capital on the ASX is not currently viable or consistent with that objective.

However, the Company is taking appropriate steps to achieve operational financial sustainability.

Firstly, significant operating costs of NZ\$2.5m are being removed. This is well under way and on track.

We have also identified potential further cost savings. We are currently determining the relative benefits of these savings and whether they can also be achieved.

While cost savings are an important step and we will continue to pursue them aggressively, it remains the case that we cannot grow our way to long term viability solely through cutting costs.

Which leads me to my second point – that the retention of existing customers and winning new business remains critical to the Company if it is to achieve operational financial sustainability. We have a product offering that has proven to be effective for clients that have deployed it with the appropriate support and management. Virgin Money has recently publicly announced that it has gone live with its M-Track product set that is powered by 9Spokes.

Through various operational changes we have taken steps to align the Company's resource to supporting client facing activities to the greatest extent possible. This alignment has now largely been implemented and we have significantly accelerated engagement with existing clients and potential new ones.

Discussions remain on-going in relation to the extension of a key existing customer contract. The Board continues to develop and carefully assess all additional revenue opportunities including that any new obligations the Company may potentially incur can be met.

I also note that the COVID pandemic and the lack of global travel had impacted our abilities in this area but with the globe reopened, progress is accelerating.

Finally, we have also constructively reviewed our Visa partnership with Visa executives and are collectively taking active steps to potentially realise some of its potential.

## **Timetable**

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While some positive strands are emerging across the business, there remains some uncertainty which means we are still not in a position to finalise the Strategic Review and present the findings to shareholders.

We currently expect to be in a position to provide full details of the Strategic Review and its recommendations to shareholders by mid-November. While the Strategic Review remains ongoing, it is premature to be seeking any reinstatement to the ASX at this time.

### **Today's resolutions**

In addition to fixing the fees of the auditors BDO, my fellow director Shelley Ruha is by rotation to be re-elected as a director.

Shelley has a strong background in banking and governance and brings those valuable skills and deep commercial experience to the Board and I fully endorse her re-election as a director.

Finally, I would like to thank shareholders for their patience and understanding as both the Board and management work hard to steer the Company to a safe harbour, and hopefully to a position from where it can sustainably grow. The Board is also committed to keeping shareholders fully informed and we welcome any questions you may have today.

Thank you.