

**ASX Release**  
*22 August 2016*

## **2016 Annual Meeting Prepared Announcement**

9 Spokes International Limited (ARBN 610 518 075), (ASX: 9SP) (**9 Spokes** or **Company**), the cloud based business software platform, will today present the following prepared Chairman's address and presentation at the 2016 Annual Meeting.

**For more information:**

**About 9 Spokes**

9 Spokes recommends the world's best business software tools for small and medium sized businesses and integrates them into a smart Dashboard. 9 Spokes allows business owners to easily work on their business, saving them time and giving them confidence in their decision-making, because 9 Spokes reveals key information on their business performance. 9 Spokes delivers key metrics to help a business owner run their business from anywhere at any time, while also offering collaboration opportunities with their business advisors. 9 Spokes offers a model for businesses to access their smart Dashboard and features directly themselves, as well as a white labelled product that channel partners can offer to their SME customer base.

[www.9spokes.com](http://www.9spokes.com)

It's been my great privilege to work with a special team of professionals at 9 Spokes over the last 2 years. The vision was always compelling, but turning that vision into the reality of major contracts with global corporations and an IPO is very hard to pull-off and underscores the point that 9Spokes is not just another tech Startup. It is a company with a ground-breaking proposition developed and brought to market by a founding team that understands business with multinationals, understands the demands of startup and understands what it takes to build a major business from scratch.

Taking the Chairman role is therefore an honour and I will do my level best to do justice to the quality of that founding idea and the faith that has been placed in us by you, our shareholders.

We achieved our target raise of \$25m Aussie from the IPO. As we all know, it has been a difficult and volatile market - for tech-stocks in Australia specifically and more generally for business post the Brexit vote. However, we are not focused on those short-term issues, but on the trading and operating prospects for the business over the coming months and years. And very focused on utilizing the funds that shareholders granted us in a very efficient and targeted way.

The great news is that we are on-track to deliver to all channels; we have substantially increased our delivery capability and everyone in the business has been working flat-out to meet the requirements of our high profile customers. Our staff numbers have increased four-fold to 86 people and we are currently in the midst of the User-Acceptance Testing phase with the soft-launch of all channels on-track for delivery by the end of the last quarter of the year. I know from first-hand feedback that the quality of our people and our approach compares very well to our opposite numbers in the Channel partners.

The game has certainly changed for 9Spokes with such a substantial capital raise at our disposal and the fiduciary and disclosure requirements of listed status before us. The Board has wasted no time in raising the bar, both in terms of what's required of the Company and of Directors themselves. Fortunately, the IPO itself was not overly distracting, mainly because the Company already had good documentation and professional focus on business processes. Most of the information required was readily available to us.

Meantime, we have considerably increased the Board's engagement with the Company's people, its strategy and business planning. The idea has been to make sure the priorities over the coming months are crystal clear, are the right use of shareholders' funds and that we have shifted to the necessary accountability model appropriate for a business in major delivery mode. The shift from concept to reality will put big demands on us and we want to prepare well for it.

Beyond that, the Board has also invested time in sharpening-up our formal governance capabilities so we can help the business meet the requirements of continuous disclosure and other formal ASX requirements. Audit and Remuneration committees have been established.

Nevertheless, 9Spokes is still a small company and needs all the help it can get to succeed. We have listened carefully to feedback from Shareholders that the Company ought to continue to directly tap Directors skills in company business where appropriate. We all therefore continue to undertake specific 'consulting' roles, strictly controlled by the needs of Mark Estall, the CEO.

Finally, I should say that the Board is likely to continue to evolve during the coming year and we feel we might benefit from a further director, with specific tech skills, joining us. We are no hurry however – finding the right candidate is more important than meeting a deadline.



Annual General Meeting - August 2016

# CHAIRMAN'S ADDRESS

# A Year of Significant Progress

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## Highlights of the past 12 months:

- Raised A\$25m through an Initial Public Offering and listed on the ASX 9 June 2016
- Signed significant channel partnerships with:
  - Barclays Bank in November 2015 (addressable base of 1.2 million small business customers)
  - Suncorp Group in April 2016 (addressable base of 770,000 small business customers)
  - Deloitte UK (Propel) in July 2016
- Decisive shift to delivery-mode, building the team from 22 in August 2015 to 86 today, including a number of significant senior executives
- Delivered product to the channel partners for user acceptance testing (UAT) in July
- On track to deliver to all channels, to enable soft launches by quarter-ending December 2016

# Good Governance for a Young Listed Company



**Paul Reynolds**  
*Experienced CEO & Director*



**Wendy Webb**  
*Investment banking &  
Investor Relations*



**Thomas Power**  
*Social Media Guru*



**Mark Estall**  
*Founder | CEO*

- Building on strong foundations:
  - IPO journey greatly helped by good company processes and documentation
- 'Raising the bar' for Board oversight and Directors' responsibilities:
  - Company strategy, business planning, driving accountability
  - Clear business priorities, Capital allocation
  - Continuous disclosure / ASX compliance
  - Audit & Risk, Remuneration & nominations
- An active and engaged Board

# CEO UPDATE

# 9 Spokes solves SME problems

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## The problem for SMEs

1

Too many choices; how do SMEs find the right applications for their business and industry?



2

How do I get real-time visibility of my business performance; and which metrics are the right ones?



3

How am I performing relative to my peers?



## The 9 Spokes solution

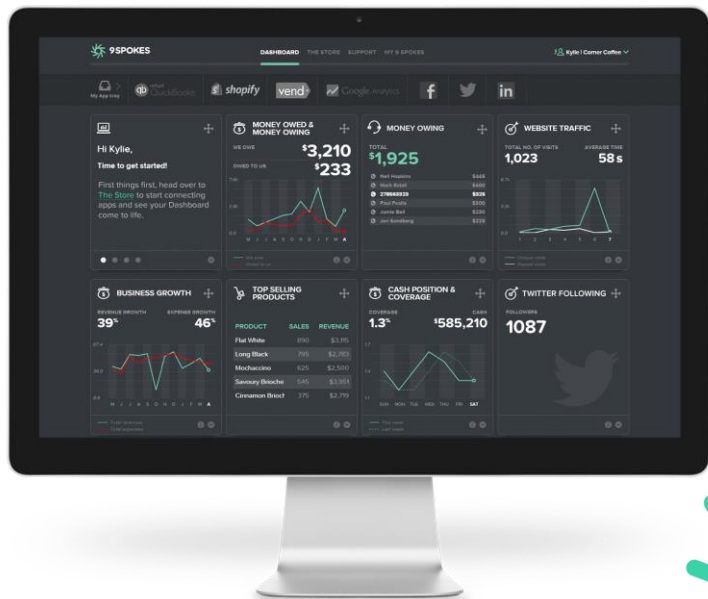
**9 Spokes recommends the best business applications by industry and connects them together in one place.**

**9 Spokes reveals key information through its smart dashboard, across areas such as money, sales and people. This data can also be shared with business advisers.**

**9 Spokes will provide peer tracking, industry benchmarking and best practice to help businesses make clearer decisions.**



# The 9 Spokes Solution



9 Spokes gives SMEs powerful insights by connecting their business software to one smart dashboard.

9 Spokes helps business owners **make clearer decisions**, so they can more easily **work on their business, not just in it.**



- Smart dashboard
- Key metrics anywhere, anytime
- Accredited business applications
- Tailored and recommended by industry
- One place to access business apps

# BUILDING TALENT

# 9 Spokes Executive Team



**Mark Estall**  
*Founder | CEO*



**Neil Hopkins**  
*Chief Financial Officer*



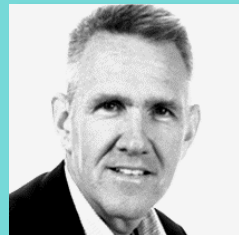
**Paul Psaila**  
*Chief Information Officer*



**Brendan Roberts**  
*Chief Operations Officer*



**Simon Atkins**  
*Chief Marketing Officer*



**Adrian Grant**  
*Founder | Head of Growth*



**Chris Simmons**  
*Director Strategy & Culture*

## Recent Appointments



**Phil Sheehan**  
*Head of Alliances*



**James Schofield**  
*Head of Investor Relations & Business Optimisation*

# 9 Spokes Senior Leadership



**Lisa Collins**  
*Head of Partnerships*



**Cristy Spencer**  
*Head of Brand & Communications*



**David Smith**  
*Channel Manager - UK*



**Lenny Leonard**  
*Head of Customer Success*



**Tim Spencer**  
*Head of Infrastructure & Networks*



**Gus White**  
*Head of Delivery*



**Jon Sandberg**  
*Head of Development*



**Jacob Sorensen**  
*Head of Product*



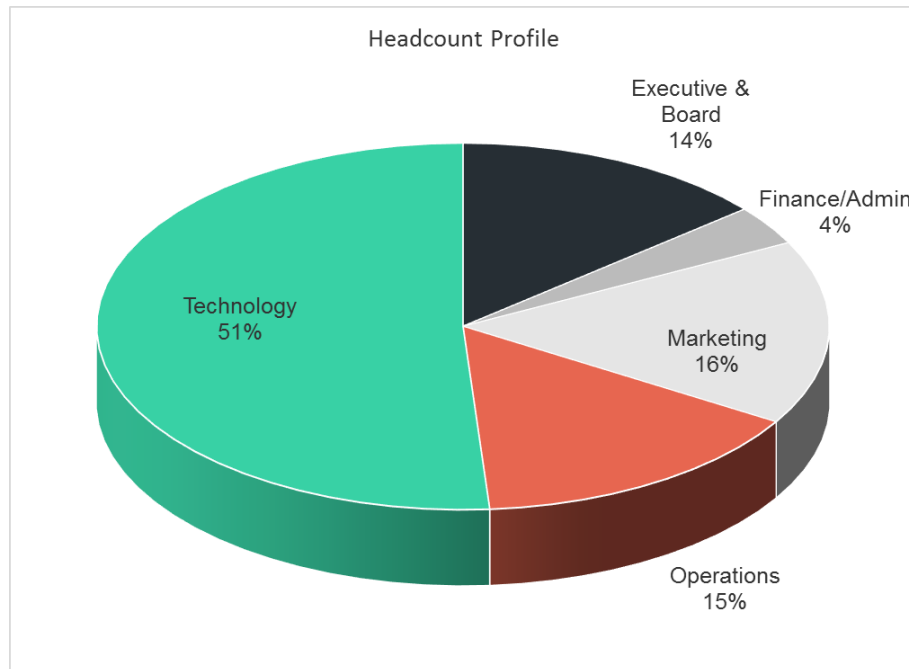
**Sue Anderson**  
*Head of Propositions*

# Substantial investment in talent



- Substantial investment in talent. We have built the team from 24 in January 2016 to 86 today
- We are investing ahead of product launch.
- During the first quarter of this financial year, total staff payments amounted to NZ\$2.1m.
- Emphasis on hiring world class technical resources

# Investment in technology



- In the first quarter NZ\$1.3m of staff expenditure was allocated to research and development.
- The company continues its investment in technical staff now representing 51% of the work force including:
  - software developers,
  - technical architects and
  - business analysts
- We have accelerated the building of world class IP and infrastructure.

# VALIDATION FROM LEADING COMPANIES

# Global partners providing support

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**IBM provides 9 Spokes the ability to quickly scale whilst maintaining the highest level of security.**





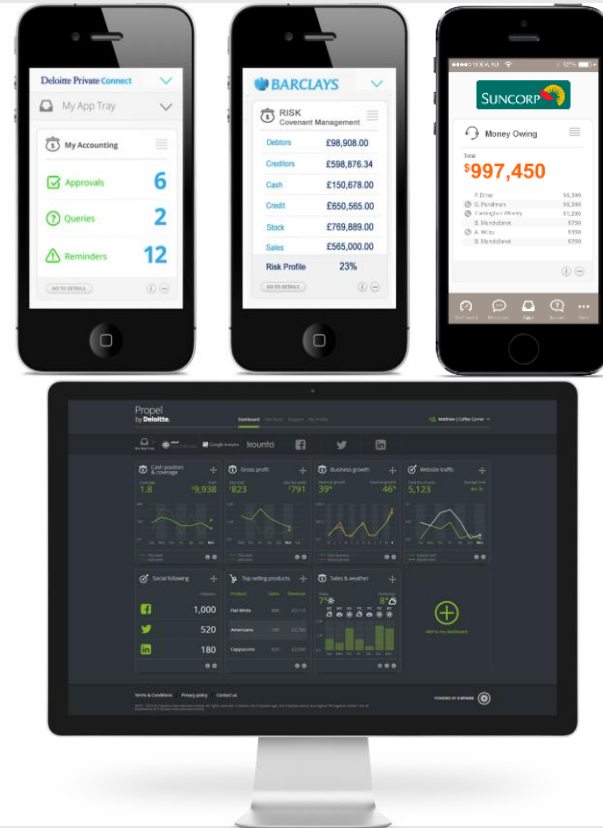
- **Hosting on IBM Soft Layer** provides unique opportunity for global growth and support
- **Global Data Centres being rolled out:** Sydney, London, Melbourne and Amsterdam
- **Providing the infrastructure compliance and resilience** required to meet and surpass bank level requirements
- **Multiple layers of security** on a platform that scales rapidly on demand



# 9 Spokes global channels to market

## White label

- **Advisory:** Deloitte Private
- **Banking:**  BARCLAYS
- **Insurance:** 
- White label channel partnerships allow 9 Spokes to access large subscriber bases quickly at a very low customer acquisition cost
- **9 Spokes** only has channel partners that are motivated by disruption to develop a strong compatible SME strategy.



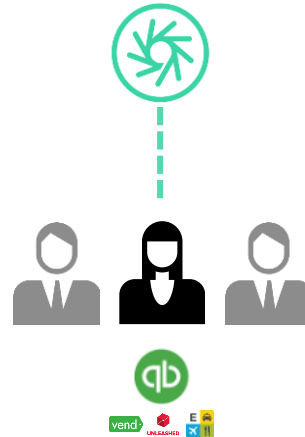
# SCALING THE BUSINESS

# Acquire | Convert | **Grow**

9 Spokes grows the subscriber relationship through upselling more cloud-based Apps to improve business productivity.

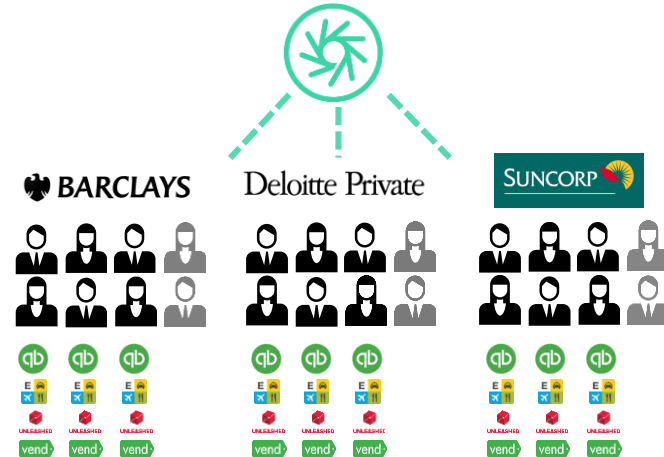
Customer Acquisition Cost  
Conversion Rate  
Network Effect

## Direct Model



High  
Industry Standard  
High

## Channel Model



Low  
High  
High

# Channel Strategy

## Providing significant scale opportunities

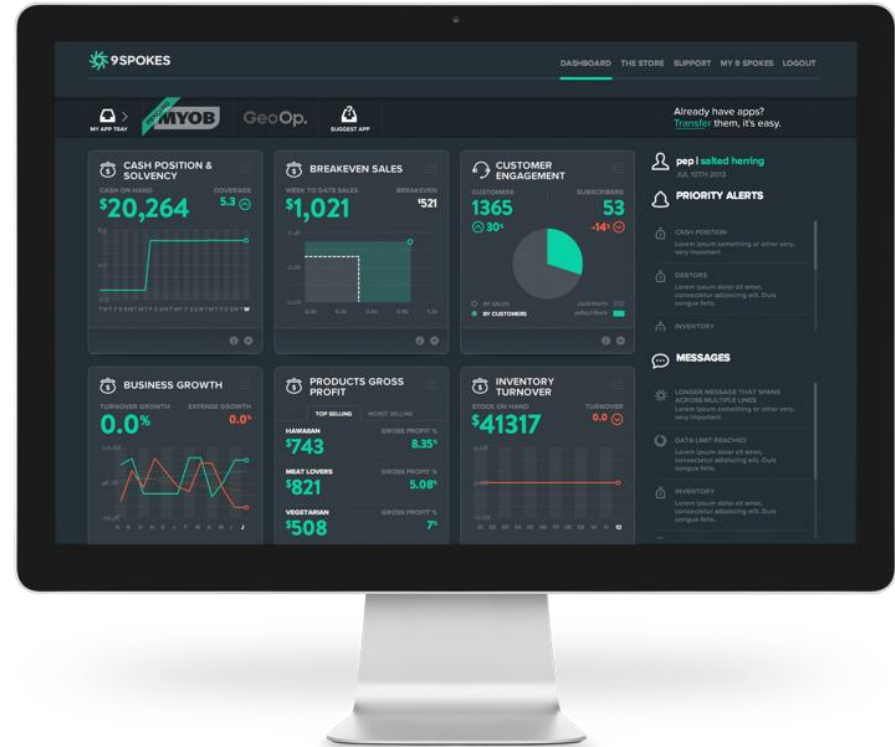
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- 9 Spokes has entered into exclusive and non-exclusive agreements with channel partners to provide global exposure to SMEs
- In most cases, channel partners pay license fees based on contracted monthly subscribers which reduces as SaaS MRR increases.
- 9 Spokes will own all IP, with channel partners having exclusive IP licensed back to them.
- All channel partner SMEs receive the platform free of charge, providing limited friction points of user uptake.
- 9 Spokes typically negotiates a licence fee that provides a base minimum payment over the term of the contract, while 9 Spokes accesses the App Margin as per the normal business model, on average, typically 20%.

# 9 Spokes Direct

## 9 Spokes Direct Channel (B2B)

- Control of a strategic and independent channel
- Powerful, profitable channel
- Global growth - into any territory
- Patent pending on unique benchmarking insights



# 9 Spokes Summary

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Existing Tier 1 industry  
relationships



Significant Market  
Opportunity



Proven Track Record



Attractive value  
proposition to  
large partners



Defensibility



Organic Platform  
Evolution



Low cost of  
customer acquisition



Scalable and  
diversified revenue  
model

THANK  
YOU

# RESOLUTIONS



## Resolution 1 - Re-election of Paul Reynolds as a Director of the Company

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That Paul Reynolds, who retires by rotation as a Director of the Company at this AGM in accordance with clause 12.5 of the Constitution of the Company, be re-elected as a Director of the Company.

### Proxies received

For	Against	Discretionary	Abstain
5,331,588 (1.32%)	0 (0.00%)	394,314 (0.10%)	0 (0.00%)

## Resolution 2 - Fees of Auditor

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That the Board of Directors of the Company be authorised to fix the fees of the auditor.

Proxies received

For	Against	Discretionary	Abstain
5,300,399 (1.32%)	0 (0.00%)	404,314 (0.10%)	21,189 (0.01%)

## Resolution 3 - Approval of Employee Share Option Plan (ESOP)

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That for the purposes of ASX Listing Rules 7.1 and 7.2, Exception 9, and for all other purposes, the shareholders approve the Company's Employee Share Option Plan (ESOP) and the issue of options over ordinary shares in the Company by the Directors in their discretion in accordance with the provisions of the ESOP.

### Proxies received

For	Against	Discretionary	Abstain
5,266,399 (1.31%)	22,000 (0.01%)	394,314 (0.10%)	43,189 (0.01%)