

9 SPOKES INTERNATIONAL LIMITED ARBN 610 518 075

REPLACEMENT PROSPECTUS

Initial Public Offering of up to 125 million fully paid ordinary shares at \$0.20 each to raise up to \$25 million.



This is an important document that should be read in its entirety. If you do not understand any part of this Replacement Prospectus, or any of its content, we recommend that you consult with your professional advisors.

This is a Replacement Prospectus dated 17 May 2016 which replaces in its entirety the prospectus dated 10 May 2016 in relation to the Initial Public Offering of up to 125 million fully paid ordinary shares in 9 Spokes International Limited at \$0.20 each.



FOSTER STOCKBROKING

Lead manager

01

IMPORTANT INFORMATION

This is an important document which should be read in its entirety before making any investment decision. You should obtain independent advice if you have any questions about an investment in 9 Spokes International Limited or any of the matters contained in this Replacement Prospectus.

9 Spokes International Limited (**Company**) is a company incorporated in New Zealand. As the Company is not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the *Corporations Act 2001* (Cth) (**Corporations Act**) or by the Australian Securities and Investment Commission (**ASIC**) but are instead regulated by the *Companies Act 1993* (New Zealand) (**Companies Act**) and the New Zealand Companies Office (**NZ Companies Office**). There are certain differences between New Zealand law and Australian law of which prospective investors should be aware, referred to in Section 14.3.

Upon admission to the Official List, the Company will also be subject to the Australian Securities Exchange Limited (**ASX**) Listing Rules.

REPLACEMENT PROSPECTUS

This document (**Replacement Prospectus** or **Prospectus**) replaces a prospectus dated and lodged with ASIC on 10 May 2016 (**Original Prospectus**). For the purposes of this document, use of the word 'Prospectus' is a reference to this Replacement Prospectus and not the Original Prospectus. This Replacement Prospectus has been issued to, amongst other things:

- add further information to the Investment Overview in Section 4 to amplify the Company's actual and proposed revenue generation activities, its current loss making position and the proposed use of funds which may arise from the Offer;
- provide further information in Sections 4 and 10 relating to, and clarifying the risks arising from, the right of Barclays to purchase from the Company certain source code in certain circumstances;
- in Section 9.3, clarifying the interests of each of Mark Estall and Adrian Grant respectively in Shares with the interest of Franc Holdings Limited in Shares; and

- remove a reference to a now repealed ASIC Class Order in Section 14.

LODGEMENT AND LISTING

This Replacement Prospectus is dated 17 May 2016 and was lodged with ASIC on that day. Neither ASIC nor the ASX takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The Company has applied to the ASX for the Company to be admitted to the Official List and for official quotation of the Shares on the ASX. Admission to the Official List is in no way an indication of the merits of the Offer or the Company.

The Company and the Directors disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement.

EXPIRY DATE

This Prospectus expires on 9 June 2017 in Australia and 30 November 2016 in New Zealand (**Expiry Dates**). No Shares will be allotted, issued, transferred or sold on the basis of this Prospectus after the relevant Expiry Date in the relevant jurisdiction.

OFFER

This Prospectus contains an invitation to apply for Shares in the Company. The Company reserves the right to accept subscriptions for up to 125 million Shares, which will raise up to an aggregate of \$25 million. No Shares will be issued unless and until the Minimum Subscription amount of \$15 million has been received.

NOT UNDERWRITTEN

This Offer is not underwritten.

DISCLAIMER

No person is authorised to provide any information, or to make any representation, about the Company or in connection with the Offer that is not contained in this Prospectus. Potential investors should only rely on the information contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors or any other person in connection with the Offer. Except as required by law and only to the extent required by such law, neither the Company nor any other person associated with the Company or the Offer guarantees or warrants the future performance of the Company, the return on an investment made under the Prospectus, the repayment of capital or the payment of dividends on the Shares.

Before deciding to invest in the Company, investors should read the entire Prospectus. The information contained in individual Sections is not intended to and does not provide a comprehensive review of the business and the financial affairs of the Company or the Shares offered under the Prospectus. The Offer does not take into account the investment objectives, financial situation or particular needs of individual investors. An investment in the Company should be considered speculative. The price of Shares may rise or fall according to a number of factors. You should carefully consider the risks (including those set out in Section 10) that impact on the Company in the context of your personal requirements (including your financial and taxation position) and, if required, seek

professional guidance from your stockbroker, lawyer, accountant or other professional advisor prior to deciding to invest in the Company. No cooling-off regime (whether provided for by law or otherwise) applies in respect of the acquisition of Shares under this Prospectus.

The information in this Prospectus is not financial product advice and the Company is not licensed to provide financial product advice in respect of the Shares or any other financial products.

This Prospectus includes information regarding past performance of the Company and/or its Subsidiaries. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements which are identified by words such as 'anticipates', 'predicts', 'plans', 'goals', 'outlook', 'aims', 'objective', 'potential', 'guidance', 'forecasts', 'will', 'would', 'should', 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of the Company, its Directors and its management.

They are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Any or all of the Company's forward-looking statements may turn out to be inaccurate.

The Company does not make any representation, express or implied, in relation to forward-looking statements and you are cautioned not to place undue reliance on these statements. The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed, implied or anticipated in those statements. As noted, key risk factors are set out in Section 10. These and other factors could cause actual results to differ materially from those expressed in any statement contained in this Prospectus.

This Prospectus, including the industry overview in Section 5, Company overview in Section 6 and financial information in Section 7, uses market data, industry forecasts and projections, and management estimates. The Company has obtained portions of this information from reports, surveys and market research prepared by third parties. There is no assurance that any of the forecasts or projections contained in the reports, surveys and research of third parties which are referred to in this Prospectus will be achieved and the Company makes no representation and expressly disclaims any liability as to the completeness or accuracy of such information or projections. The Company has not independently verified this information. Estimates, forecasts and projections involve risks and uncertainties and are subject to change

based on various factors, including those discussed in the risk factors set out in Section 10.

FINANCIAL INFORMATION AND AMOUNTS

The historical financial information included in this Prospectus for the financial periods ending 31 March 2014, 31 March 2015 and 31 March 2016 have been prepared and presented in accordance with Generally Accepted Accounting Practice in New Zealand (**NZ GAAP**) which comply with New Zealand equivalents to International Financial Reporting Standards (**NZ IFRS**) and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board and are expressed in New Zealand currency (NZ\$, being the presentation currency of the Company), except where otherwise stated.

This Prospectus does not contain prospective financial information. Given the inability to derive reasonable assumptions for the period covered by prospective financial information, the Company is of the view that any prospective financial information would be likely to mislead potential investors in a material manner because actual operational revenue for that period could be materially different from that projected which would, in turn, materially alter the 9 Spokes Group's financial performance over that period from that shown in any prospective financial information.

CURRENCY

Unless otherwise specified, (for example in Section 7), all references to \$ or dollars are references to Australian currency and a reference to AUD or A\$ is a reference to Australian dollars. To the extent that figures originally in New Zealand currency are converted into Australian currency for the purposes of this Prospectus, unless expressly specified otherwise, the Company has used a conversion rate of AUD\$1.00 being equivalent to NZ\$1.10. Investors are expressly advised that such conversion rate is an estimate for convenience only and may not reflect the actual prevailing market conversion rate at any point in time.

ROUNDING

Some numerical figures included in this Prospectus have been subject to rounding adjustments. As a result, numerical figures shown in totals in certain tables may not be an arithmetic aggregation of the figures that preceded them. Any discrepancies between totals and sums and components in tables, charts and graphics contained in this Prospectus are due to rounding.

NO OFFER WHERE OFFER WILL BE ILLEGAL

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares in any jurisdiction outside Australia and New Zealand. The distribution of this Prospectus outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus outside of Australia and New Zealand should seek advice on and observe any such restrictions. It is the responsibility of Applicants outside Australia and New Zealand to obtain all necessary approvals for the issue of Shares to them pursuant to this Prospectus. The return of a completed

Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained. The Company will not offer to sell or solicit an offer to purchase any Shares in any jurisdiction where such offer, sale or solicitation may not lawfully be made. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

NOTICE TO UNITED STATES RESIDENTS

This document may not be released or distributed in the United States, or relied on by persons in the United States or who are US Persons. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the *US Securities Act 1933* (US) (**US Securities Act**) or the securities laws of any state of the United States, and may not be offered or sold in the United States, or to or for the account or benefit of a US Person (as defined in Regulation S under the US Securities Act), except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable United States state securities laws.

NOTICE TO NEW ZEALAND INVESTORS

- (a) This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, the Corporations Act and applicable regulations made under the *Corporations Regulations 2001* (Cth) (**Regulations**) applies. In New Zealand, Part 5 of the (**Securities Act**) 1978 (New Zealand) and the *Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008* (New Zealand) applies.
- (b) This Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. The Corporations Act and Regulations predominantly set out how the Offer must be made.
- (c) There are differences regarding how securities are regulated under Australian law when compared to New Zealand law.
- (d) The rights, remedies and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies and compensation arrangements for New Zealand securities.
- (e) Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Offer. If you wish to make a complaint about this Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.
- (f) The taxation treatment of Australian securities is not the same as for New Zealand securities.
- (g) If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial advisor.
- (h) The Offer may involve a currency exchange risk. The currency in which the securities are made available under the Offer and the currency in which the securities are anticipated to be quoted on the

ASX is not New Zealand dollars. The currency will be Australian dollars. The value of the securities may vary according to changes in the exchange rate between Australian dollars and New Zealand dollars. These changes may be significant.

- (i) If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.
- (j) If the securities are able to be traded on a securities market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

SELLING RESTRICTIONS

Please see Sections 11.12 and 11.13 for selling restrictions for non-Australian and non-New Zealand residents, including for Hong Kong and Singapore residents.

ELECTRONIC PROSPECTUS

This Prospectus may be viewed online at www.9spokes.com/investors. The information on www.9spokes.com/investors does not form part of this Prospectus. The Offer constituted by this Prospectus is available to persons receiving an electronic form of this Prospectus within Australia or New Zealand. It is not available to persons in any other jurisdiction (including the United States) and the Company is entitled to refuse an Application for Shares under this Prospectus by an Applicant if it believes such Applicant received the Offer outside Australia or New Zealand. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

OBTAINING A HARD COPY OF THIS PROSPECTUS

A hard copy of this Prospectus is available free of charge to any person in Australia or in New Zealand by contacting the Lead Manager, Foster Stockbroking on +61 2 9993 8100 from 9.00am to 5.00pm (Sydney time) Monday to Friday or by email at contact@fostock.com.au on or before the Closing Date.

APPLICATIONS

The Shares to which this Replacement Prospectus relates will only be issued on receipt of an Application Form issued together with the Replacement Prospectus. Applications for Shares may only be made during the Offer Period on the Application Form attached to or accompanying this Replacement Prospectus in its paper copy form, or in its electronic form which must be downloaded in its entirety from www.9spokes.com/investors.

Application Forms must be completed in accordance with the accompanying instructions. Applicants should complete an Application Form.

Applicants may apply online for Shares. Any Applicants applying online must personally complete the online Application Form and pay the Application Monies using one of the mechanisms provided. Application Forms completed online must not be completed by third parties, including authorised third parties (e.g. the Applicant's broker).

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, this Prospectus in its paper copy form or the complete and unaltered electronic version of this Prospectus. By making an Application, you represent and warrant that you were given access to this Prospectus together with an Application Form.

WEBSITE

The Company maintains a website at www.9spokes.com where information regarding the Company is published. The contents of the website do not form part of this Prospectus.

EXPOSURE PERIOD

The Corporations Act prohibits the Company from processing Applications for Shares in the seven day period after the date of lodgement of the Original Prospectus with ASIC (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus in which case any Application may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

During the Exposure Period, this Prospectus will be made available to Australian and New Zealand residents, without the Application Forms, at the Company's website at www.9spokes.com/investors.

DIAGRAMS

Diagrams used in this Prospectus are illustrative only and may not be drawn to scale or reflect how the 9 Spokes Platform may appear to an End User from time to time.

PHOTOGRAPHS

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents. The pictures in this Prospectus were taken at various times prior to publishing this Prospectus. The Company does not purport that the pictures reflect the assets or operations of the Company.

DEFINED TERMS AND ABBREVIATIONS

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in the Glossary at the end of this Prospectus. Unless otherwise stated or implied, references to times in this Prospectus are to Sydney (AEST) time. Unless otherwise stated or implied, references to dates or years are calendar year references.

NO COOLING OFF RIGHTS

As noted, cooling-off rights do not apply to an investment in Shares issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

PRIVACY

If you apply for Shares, you will provide personal information to the Company and the Share Registry. The Company and the Share Registry collect, hold and use your personal information in order to assess and process your Application, service your needs as an investor and Shareholder, provide facilities and services that you request and carry out appropriate administration. Corporations and tax laws require you to supply some of the information to be collected in connection with your Application. Once you become a Shareholder, the Corporations Act and the Companies Act requires information about you (including your name, address and details of the Shares you hold) to be included in the Company's Shareholder register. The information must continue to be included in the Company's Shareholder register if you cease to be a Shareholder. If you do not provide all the information requested, your Application Form may not be able to be processed.

The Company and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act:

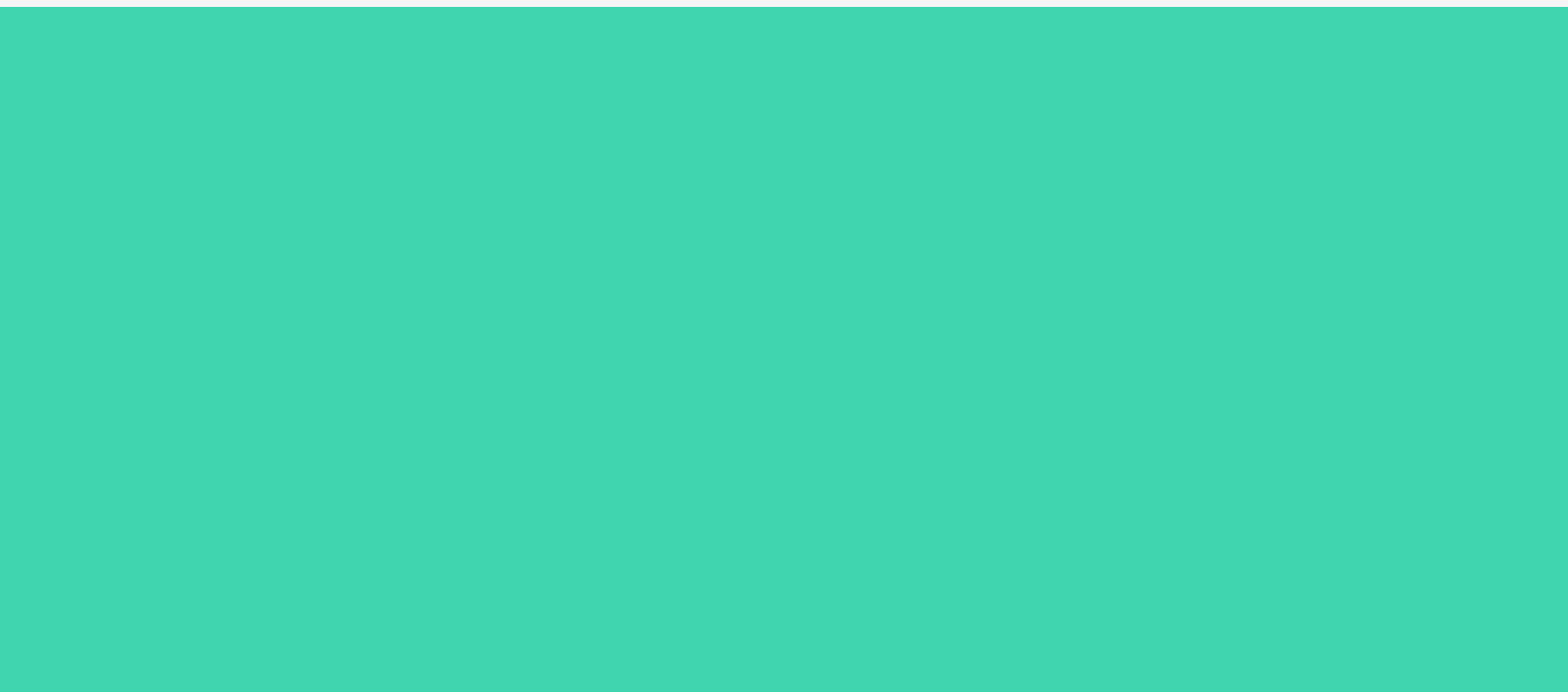
- (a) the Share Registry for ongoing administration of the Company's Shareholder register;
- (b) the Lead Manager in order to assess and process your Application;
- (c) printers and other companies for the purposes of preparation and distribution of holding statements, documents, and for handling of mail;
- (d) market research companies for the purpose of analysing the Company's Shareholder base and for product development and planning; and
- (e) legal and accounting firms, auditors, management consultants and other advisors for the purpose of administering, and advising on, the Shares and for associated actions.

You may request access to your personal information held by (or on behalf of) the Company. You can request access to your personal information by contacting the Share Registry. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. The Company aims to ensure that the personal information it retains about you is accurate, complete and up to date. To assist with this, please contact the Share Registry if any of the details you have provided change. In accordance with the requirements of the Corporations Act and the Companies Act, information on the Company's Shareholder register will be accessible by members of the public.

You can obtain a copy of the Company's privacy policy by contacting the Company or by accessing it in electronic form from the Company's website at www.9spokes.com/privacy.

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KEY OFFER INFORMATION



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KEY OFFER INFORMATION

2.1 IMPORTANT DATES

| Tuesday 10 May 2016 | Tuesday 17 May 2016 | Wednesday 18 May 2016 | Thursday 26 May 2016 | Thursday 02 June 2016 | Thursday 02 June 2016 | Thursday 09 June 2016 |
|--|---|------------------------------------|-----------------------------------|---|------------------------------------|------------------------------------|
| Lodgement of the Original Prospectus with ASIC | Lodgement of the Replacement Prospectus with ASIC | Offer Opening Date | Offer Closing Date | Allotment of Shares (Completion of Offer) | Dispatch of holding statements | Normal trading of Shares on ASX |

Dates may change: This timetable is indicative only and may change. For instance, ASIC may extend the Exposure Period so that it is up to 14 days in length after lodgement of the Original Prospectus with ASIC. Consequently, specific dates referred to above may change. The Company also reserves the right to vary any or all of the above dates and times, including, subject to applicable legislation: to close the Offer early, withdraw the Offer, extend the Closing Date, or to accept late Applications; without notifying recipients of this Prospectus or Applicants. If the Offer is cancelled or withdrawn before the issue of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Applicants are encouraged to submit their Applications and payment as soon as possible after the Offer opens.

The quotation and commencement of trading of the Shares are subject to confirmation from the ASX. The date for same may be a later date than that stated above. All dates and times are stated in Sydney (AEST) time.

2.2 KEY OFFER DETAILS

Offer price per Share

A\$0.20

Total number of Shares on issue as at the date of this Prospectus

277,963,494

Minimum Subscription

A\$15,000,000

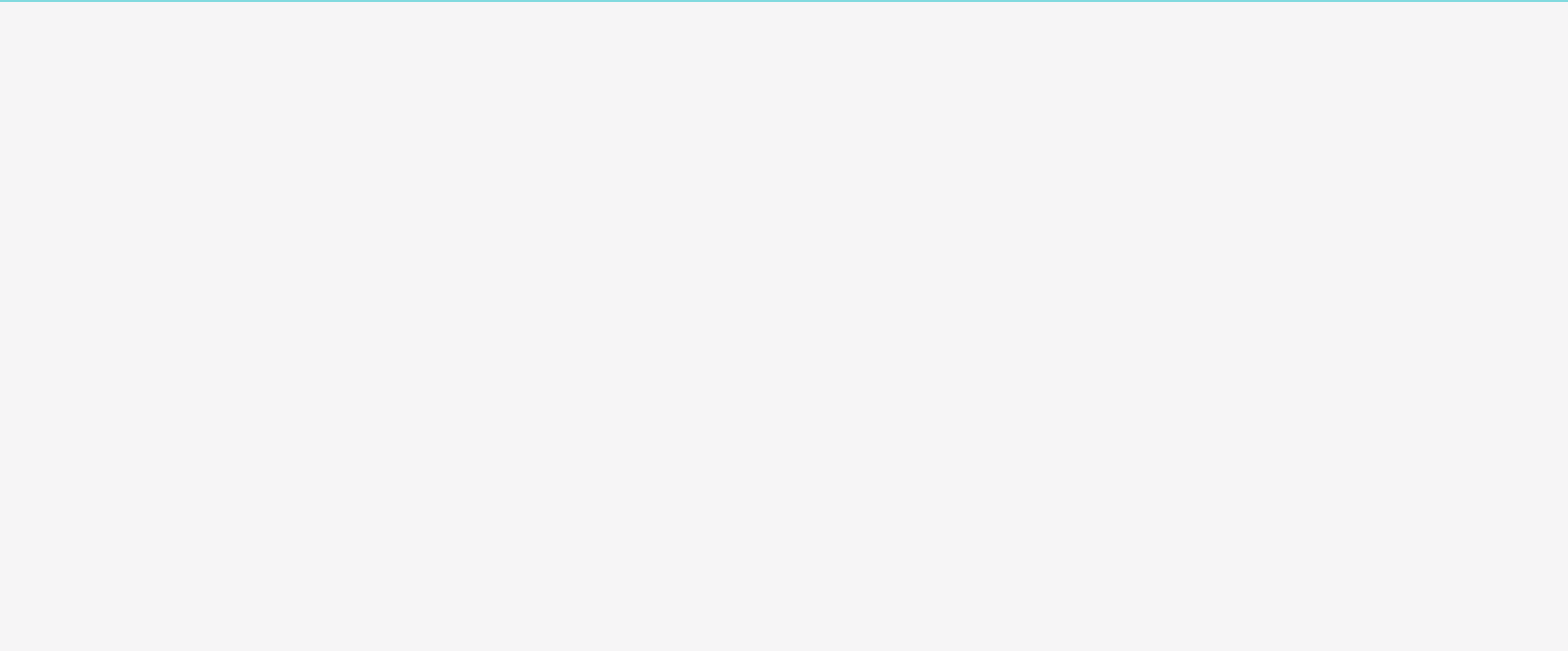
Maximum Subscription

A\$25,000,000

| | Minimum Subscription (A\$15 million) | Maximum Subscription (A\$25 million) |
|--|---|---|
| Total number of new Shares to be issued under the Offer | 75,000,000 | 125,000,000 |
| Total number of Shares to be held by Existing Shareholders on Completion of the Offer ¹ | 277,963,494 | 277,963,494 |
| Total number of Shares on issue after Completion of the Offer ² | 352,963,494 | 402,963,494 |
| Indicative Market capitalisation A\$ after Completion of the Offer | \$70,592,699 | \$80,592,699 |
| Gross cash proceeds from the Offer A\$ ³ | \$15,000,000 | \$25,000,000 |

Figure 1: Outcome of Offer on Minimum Subscription and Maximum Subscription

- Existing Shareholders may apply for Shares the subject of the Offer and the Company reserves the right to allot such Shares to Existing Shareholders. As a result, this number is indicative only for the purposes of this summary.
- See Section 14.12 for details regarding the Company possibly issuing further Options to an Existing Shareholder at a time following Completion of the Offer. Those Options if exercised, would ultimately alter the number of Shares on issue. Other Options are also on issue as at the date of this Prospectus as referred to in Section 14.4.
- The Company prepares its financial information in New Zealand dollars as its reporting currency. To facilitate comparison of financial information, key offer details, including gross proceeds from the Offer and indicative market capitalisation at the Offer Price, have been presented in Australian dollars at an indicative exchange rate of A\$1.00/NZ\$1.10 for the purposes of this Prospectus. As noted, this may not reflect the actual prevailing market conversion rate at any point in time.



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**LETTER FROM
THE CHAIR**

03

LETTER FROM THE CHAIR



Dear Investor,

On behalf of my fellow Directors, it gives me great pleasure to offer you this opportunity to invest in 9 Spokes International Limited (**Company**).

The Company was formed in 2011 with a view to becoming a globally leading cloud services brokerage, particularly for small to medium sized enterprises. Since that time, the Company has developed software to support an online marketplace platform for Apps made available by third parties.

The Company's product, the "9 Spokes Platform", brings together what we consider the "best-of-breed" Apps and integrates their data for display on a powerful Dashboard interface. With a Customer's Apps together in one place, a small or medium sized enterprise may instantly see how it is performing across key metrics.

The Company now has contracts with some major finance and banking industry Channel Partners, as well as our direct Customers, and wishes to continue to develop the 9 Spokes Platform, to evaluate additional channels for its products, and to expand its customer base.

Under this Prospectus, the Company is offering for subscription up to 125 million Shares at an offer price of A\$0.20 to raise up to A\$25 million. Proceeds from the Offer will be used to undertake software and technical development of the 9 Spokes Platform, to conduct infrastructure development to support the 9 Spokes Group's databases, to engage in product development by enhancing the functional features of the 9 Spokes Group's products (including providing and enhancing mobile access), to engage in business and market development by expanding the 9 Spokes Group's business into new territories (including undertaking market research) and to provide working capital.

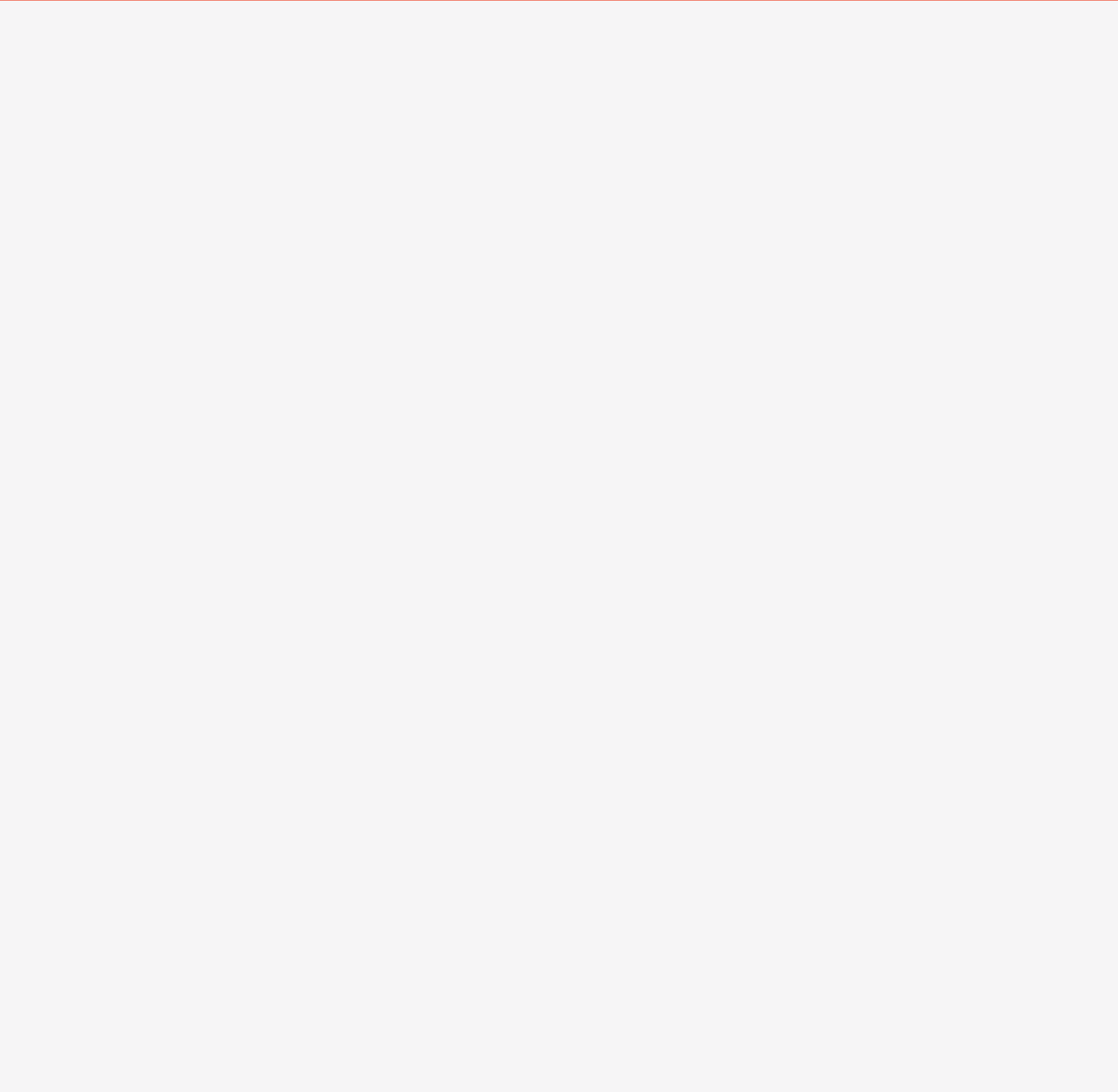
Details of the Offer, the 9 Spokes Group, the business, financial performance and the Board and executive team of the Company are set out in this Prospectus. It also outlines the potential risks associated with this investment, including that an investment in the Shares remains speculative at this stage. I encourage you to read this document carefully before making your investment decision.

On behalf of the Board, I look forward to welcoming your Application under this Prospectus.

Yours sincerely,

A handwritten signature in dark ink that reads "Paul Reynolds". The signature is written in a cursive, slightly slanted style.

Paul Reynolds
Chairman





**INVESTMENT
OVERVIEW**

04

04

INVESTMENT OVERVIEW

The information set out in this Section is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. In deciding whether to apply for Shares under the Offer, you should read this Prospectus carefully and in its entirety. If you are in doubt as to the course of action you should follow in connection with this document, please consult your financial advisor, stockbroker, lawyer, accountant or other professional advisor before proceeding.

| QUESTION | ANSWER | SEE SECTION |
|--|---|-------------------|
| Who is the issuer of this Prospectus? | 9 Spokes International Limited, which is a company registered and incorporated in New Zealand with company number 3538758. Its Australian Registered Business Number (ARBN) is 610 518 075. | 1 and 6 |
| What does the Company do? | The Company (with other members of the 9 Spokes Group), develops, commercialises, operates and maintains the 9 Spokes Platform. The 9 Spokes Platform is a cloud services brokerage that offers an online marketplace platform for third party business software applications (Apps) provided by Online Software Partners (OSP). The Company makes the 9 Spokes Platform directly available to Customers through 9 Spokes Direct. The Company may also develop customised versions of the 9 Spokes Platform for Channel Partners. Customised instances of the 9 Spokes Platform are available to CP Customers. The 9 Spokes Platform also provides Customers with aggregated and anonymized information arising from the use of Apps. Apps that can be used with the 9 Spokes Platform are designed primarily for the small to medium enterprise business sector. | 6 & 12 |

Does the Company generate revenue and profits? As the Holding Company of the 9 Spokes Group, the Company currently primarily generates revenue from developing and providing a customised version of the 9 Spokes Platform for Channel Partners. The Company may also obtain license fees from Channel Partners.

Members of the 9 Spokes Group also generate revenue from retaining a percentage of subscription fees collected from Customers in respect of Apps offered by Billing OSPs, where those fees are charged through the 9 Spokes Platform. Currently, such revenues are not material.

For Apps not provided by Billing OSPs, the Company may in the future also generate revenue by directly charging customers for the use of Connectors in respect of such Apps.

The following presents the Statutory Historical Income Statements for the year ended 31 March for FY2014, FY2015 and FY2016:

| For the years ended 31 March | FY2014 | FY2015 | FY2016 |
|-----------------------------------|--------------|----------------|----------------|
| | NZ\$'000 | NZ\$'000 | NZ\$'000 |
| Revenue | 1,972 | 97 | 710 |
| Expenses: | | | |
| Research and development expenses | (802) | (3,104) | (3,407) |
| Administrative expenses | (1,721) | (3,583) | (2,868) |
| Operating loss | (551) | (6,590) | (5,565) |
| Net finance income | 4 | 29 | 13 |
| Net loss before income tax | (547) | (6,561) | (5,552) |
| Income tax credit / (expense) | - | - | 140 |
| Net loss after income tax | (547) | (6,561) | (5,412) |

For further details, refer to Section 7.3.

In particular, it is noted that in FY2014 certain non-recurring revenues were received by the Company being fees earned from a “proof of concept” customised instance of the 9 Spokes System. Further, NZ\$1.8 million of implementation revenue received from a Channel Partner as milestone payments for the implementation of a customised version of the 9 Spokes Platform has been deferred as at 31 March 2016.

What is the Company's business model and business plan? The business model of the 9 Spokes Group is to continue to generate and grow revenue from the operation and commercialisation of the 9 Spokes Platform, together with developing customised versions of the 9 Spokes Platform for Channel Partners, and providing services to both direct Customers and Channel Partners.

Does the Company currently make a profit? No, the Company is currently loss making.

How will the Company seek to generate returns for investors? The Company plans to, in the long term, generate sufficient revenue to cover its costs and fund its growth and is aiming to produce returns to investors from profits from the operations of members of the 9 Spokes Group. The Company does not anticipate that it will generate profits within the next 4 to 5 years. The Company proposes to ultimately generate a profit by increasing revenues (so that they exceed expenses) by continuing to exploit opportunities to provide customised versions of the 9 Spokes Platform to current and potential future Channel Partners, to increase subscription fees from customers in respect of Apps offered by Billing OSPs, and potentially by directly charging customers for the use of Connectors in respect of Apps not provided by Billing OSPs.

| | | |
|-------------------------------------|---|----------|
| When will dividends be paid? | The Company does not anticipate paying any dividends in the foreseeable future. | 7 |
|-------------------------------------|---|----------|

4.1 SUMMARY OF THE OFFER

| QUESTION | ANSWER | SEE SECTION |
|--|---|-------------------|
| What is the Purpose of the Offer? | <ul style="list-style-type: none"> • To raise capital in order to: <ul style="list-style-type: none"> - undertake software and technical development of the 9 Spokes Platform; - conduct infrastructure development to support the 9 Spokes Group's databases; - engage in product development by enhancing functional features of the 9 Spokes Group's products (including providing and enhancing mobile access); and - engage in business and market development by expanding 9 Spokes Group's business into new territories (including undertaking market research); • To provide the Company with access to the public equity capital markets to pursue future growth opportunities for the 9 Spokes Group and to improve capital management flexibility; • To achieve Listing on the ASX to broaden the Shareholder base; • To fund capital expenditure as required; and • To provide working capital for the Company for at least the period of 15 months following Listing. | 7 & 11 |

| | | |
|--|---|-------------------|
| How will the proceeds of the Offer be used? | The proceeds of the Offer will be used for the purposes referred to above, together with paying for the costs of the Offer, as set out below: | 7 & 11 |
|--|---|-------------------|

| | Minimum Subscription | Maximum Subscription |
|--|----------------------|----------------------|
| | A\$'000 | A\$'000 |

SOURCE OF FUNDS

| | | |
|--|---------------|---------------|
| Cash proceeds received for New Shares issued under the Offer | 15,000 | 25,000 |
| Total sources | 15,000 | 25,000 |

USE OF FUNDS

| | | |
|--------------------------------|---------------|---------------|
| Payment of Offer expenses | 1,798 | 2,511 |
| Software/technical development | 5,688 | 8,139 |
| Infrastructure development | 2,946 | 3,857 |
| Product development | 1,075 | 1,467 |
| Business development | 884 | 1,307 |
| Market development | - | 417 |
| Working capital | 2,609 | 7,302 |
| Total uses | 15,000 | 25,000 |

| | | |
|--|---|-----------|
| Is there any brokerage, commission or stamp duty payable by Applicants? | No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer. | 11 |
|--|---|-----------|

| TYPE OF RISK | ANSWER | SEE SECTION |
|--|---|-------------------|
| Can the Offer be withdrawn? | <p>The Company reserves the right not to proceed with the Offer at any time before the issue of Shares to successful Applicants.</p> <p>If the Offer does not proceed, the Share Registry, your broker or the Company will refund Application Monies.</p> <p>No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.</p> | 11 |
| Who can apply for Shares under the Offer? | <p>The Offer is open to retail investors who are residents in Australia or New Zealand as well as institutional investors in Australia, New Zealand and certain other jurisdictions in which it is lawful for the Company to make the Offer to those jurisdictions, as determined by the Company.</p> | 11 |
| What are the rights and liabilities attached to the Shares being offered? | <p>A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 14.</p> | 14 |
| What is the consideration payable for each Share being offered? | <p>Successful Applicants under the Offer will pay A\$0.20 per Share. The minimum parcel of Shares which may be acquired by successful Applications is 10,000 for A\$2,000.</p> | 2 & 11 |
| What is the Offer period? | <p>The key dates, including details of the Offer period, are set out in Sections 2 and 11.</p> <p>No Shares will be allotted, issued, transferred or sold on the basis of this Prospectus after the relevant Expiry Date in the relevant jurisdiction. The Expiry Date in Australia is 9 June 2017 and the Expiry Date in New Zealand is 30 November 2016.</p> | 2 & 11 |
| What are the minimum and maximum amounts to be raised under this Offer? | <p>The Offer is conditional on the Company raising at least \$15 million. If less than the minimum of \$15 million is raised within 4 months after the date of the Original Prospectus, then no Shares will be issued under this Prospectus and all Application Monies received by the Company will be refunded to Applicants (without interest) in accordance with the Corporations Act.</p> <p>The maximum amount to be raised is \$25 million.</p> | 11 |
| What is the minimum Application amount under the Offer? | <p>The minimum Application amount under the Offer is A\$2,000 for 10,000 Shares.</p> <p>If you apply for a total Application amount that is not a multiple of the Offer Price, your Application will be rounded down to the nearest multiple of the Offer Price and any difference will be retained by the Company.</p> | 2 & 11 |
| How do I apply for Shares? | <p>Applicants are able to complete an Application Form attached to the back of this Prospectus (or a printed copy of the Application Form attached to the electronic version of the Prospectus) or apply online at www.9spokes.com/investors.</p> <p>Instructions on how to apply are set out in Section 11 and on the back of, or with, the Application Form.</p> | 11 |
| How do I pay? | <p>Applicants should pay the Application Monies using the following methods:</p> <ul style="list-style-type: none"> (a) by BPAY®: by following the instructions on the online Application Form. This is the preferred method; or (b) by cheque: cheques should be crossed "Not Negotiable" and made out to "9 Spokes International Limited"; or (c) by Delivery Versus Payment in certain circumstances. | 11 |

| | | |
|--|---|-------------------|
| When will I receive confirmation that my Application has been successful? | It is expected that initial holding statements will be despatched by standard post on or around 2 June 2016. | 2 & 11 |
| What is the Closing Date for receipt of Applications? | <p>The Offer is expected to close on 26 May 2016, subject to among other things, the Exposure Period for this Prospectus not being extended beyond 7 days from lodgement of the Original Prospectus with ASIC.</p> <p>The Company may elect to close the Offer early, extend the Offer, or accept late Applications either generally or in particular cases. The Offer may be closed at any earlier date and time, without further notice.</p> <p>You are encouraged to submit your Application and Application Monies as early as possible in advance of the Closing Date and to allow a sufficient period for processing time.</p> | 2 & 11 |
| When will the Shares be listed? | The Company has applied for Listing of the Shares on the ASX. Completion of the Offer is conditional on the ASX approving the application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. | 2 & 11 |
| When are the Shares expected to commence trading? | <p>It is expected that trading of the Shares on the ASX will commence on or about 9 June 2016 on a normal settlement basis. This is, however, subject to ASX confirmation.</p> <p>If settlement has not occurred within fourteen days (or such longer period as the ASX allows) after the day Shares are first quoted on the ASX, the Offer and confirmations of allocations will be cancelled and of no further effect and all Application Monies will be refunded (without interest).</p> <p>It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk. The Company, the Lead Manager, the Directors and the Existing Shareholders disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding, whether on the basis of a confirmation of allocation provided by any of them, whether by the Company's Offer information line or otherwise.</p> | 2 & 11 |
| Who is the Lead Manager to the Offer? | Foster Stockbroking Pty Ltd ACN 088 747 148. | 11 |
| Is the Offer underwritten? | No. | 11 |
| Are there any escrow arrangements? | Yes, there are compulsory escrow arrangements under the ASX Listing Rules affecting some holders of Shares or Options in the Company. | 11 |
| Who should you contact if you have an enquiry? | <p>Please call the Company's Offer information line on 1 800 174 404 (toll free within Australia) or 0800 001 424 (toll free within New Zealand) from 8.30am until 5.00pm (Sydney time) Monday to Friday.</p> <p>If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your lawyer, stockbroker, accountant or other independent and qualified professional advisor before deciding whether to invest.</p> | 11 |

4.2 BOARD & MANAGEMENT

| QUESTION | ANSWER | SEE SECTION |
|---|---|-------------|
| Who are the Directors of the Company? | <p>The Board of Directors consists of:</p> <ul style="list-style-type: none">• Paul Reynolds, Chairman and Non-Executive Director;• Thomas Power, Non-Executive Director;• Wendy Webb, Non-Executive and Independent Director;• Mark Estall, Executive Director. | 9 |
| Who are the Key Executives of the Company? | <p>The Executive Management Team consists of:</p> <ul style="list-style-type: none">• Mark Estall, Chief Executive Officer;• Neil Hopkins, Chief Financial Officer;• Brendan Roberts, Chief Marketing Officer;• Paul Psaila, Chief Information Officer;• Chris Simmons, Director, Strategy and Culture;• Adrian Grant, Founder, Strategic / Business Development. | 9 |
| How are the Directors and senior executives remunerated? | <p>Details on the remuneration of Directors and some of the Executive Management Team can be found in section 9.</p> | 9 & 13 |
| Will any related party have a significant interest in the Company following the Offer? | <p>Mark Estall, a founder and a Director of the Company, will hold or control 51,444,727 Shares in the Company following the Offer (being 14.58% of the total issued Shares in the Company if the Minimum Subscription is reached, and 12.77% of the total issued Shares in the Company if the Maximum Subscription is reached).</p> <p>Adrian Grant, a founder and former Director (having resigned within the 6 month period prior to the date of this Prospectus) of the Company, will hold or control 51,370,015 Shares in the Company following the Offer (being 14.55% of the total issued Shares in the Company if the Minimum Subscription is reached, and 12.75% of the total issued Shares in the Company if the Maximum Subscription is reached).</p> <p>Adrian Grant and Mark Estall also jointly control a company which holds 30,620,271 Shares in the Company following the Offer (being 8.68% of the total issued Shares in the Company if the Minimum Subscription is reached, and 7.6% of the total issued Shares in the Company if the Maximum Subscription is reached).</p> <p>Paul Reynolds, a Director and Chairman of the Company, will hold or control 4,423,625 Shares in the Company following the Offer (being 1.25% of the total issued Shares in the Company if the Minimum Subscription is reached, and 1.1% of the total issued Shares in the Company if the Maximum Subscription is reached).</p> <p>Thomas Power, a Director of the Company, will hold or control 1,843,784 Shares in the Company following the Offer (being 0.52% of the total issued Shares in the Company if the Minimum Subscription is reached, and 0.46% of the total issued Shares in the Company if the Maximum Subscription is reached).</p> <p>Wendy Webb, a Director of the Company, will hold or control 1,006,673 Shares in the Company following the Offer (being 0.29% of the total issued Shares in the Company if the Minimum Subscription is reached, and 0.25% of the total issued Shares in the Company if the Maximum Subscription is reached).</p> <p>As at the date of this Prospectus, it is anticipated that the majority of these holders' interests will be placed in escrow for 24 months after admission to the Official List.</p> <p>The above persons and entities controlled by them do not intend to apply for further Shares pursuant to this Offer.</p> | 9 & 11 |

4.3 SUMMARY OF KEY RISKS

| RISK | SUMMARY OF RISK | SEE SECTION |
|---|---|--------------------|
| Capital raising not fully subscribed | The capital raising described in this Prospectus is intended to raise sufficient funds to fund expansion and development activities, and to fund working capital needs of the Company for at least the period of 15 months following Listing. In the event the capital raising is not fully subscribed to the Maximum Subscription, the Company may scale back its objectives and operations, including marketing and other expenditure. | 10.3 |
| Dilution | It is anticipated that the Company will need to raise additional funds through a further capital raising or debt facility within at least the period of 15 months following Listing, which is likely to have the effect of diluting the interests of Shareholders. | 10.3 |
| Relationship with Channel Partners | <p>The Company has contracts with its Channel Partners. If a Channel Partner terminates its agreement for cause as opposed to convenience, it may acquire a limited right to access the source code of the 9 Spokes System, which may have a material adverse impact on the Company's financial performance and/or position.</p> <p>Some agreements with Channel Partners also impose exclusivity requirements which may prohibit the 9 Spokes Group from freely licensing the 9 Spokes Platform to some sectors or in some markets.</p> | 10.2 and 12 |
| Existing Shareholders retain a significant stake, and dealings of those Existing Shareholders may adversely affect the price of, or market for, Shares | <p>Following Listing, the Existing Shareholders will continue to hold substantially more than a majority of the issued capital of the Company.</p> <p>The Company estimates that 69.2% of the total Shares issued pre-IPO will be subject to escrow restrictions, for a period of up to 24 months following the Company's Listing on the ASX. The ASX will make the final determination of the mandatory escrow to be applied to Shares and Options. That determination may be different from that set out in this Prospectus.</p> <p>A sale in due course of a significant number of these Shares, or the perception that such sale might occur, could adversely affect the price of Shares.</p> | 10.3 |
| Relationship with OSPs | <p>The 9 Spokes Group has commercial agreements with Billing OSPs that can generally be terminated for convenience by either party.</p> <p>OSPs are generally not contractually obliged to facilitate the extraction of App Data, and accordingly the availability of certain Apps on the 9 Spokes Platform could cease without notice to the 9 Spokes Group.</p> | 10.2 |
| Development risk and short operating record | <p>To date, the 9 Spokes Group's costs have significantly exceeded its revenues, and the 9 Spokes Group does not anticipate generating a profit within the next 4 to 5 years.</p> <p>The Company was incorporated on 19 September 2011 and therefore has a short operational history. A number of key personnel have only recently been appointed. The Company may take longer to achieve its targeted revenue or profits from its business than planned and the costs of doing so may be higher than budgeted.</p> | 10.2 |
| Dependence on key personnel | The 9 Spokes Group engages technical experts who have specific knowledge about the structure and operation of the 9 Spokes Platform which may not be easily or efficiently transferrable to other employees. The loss of such key staff may have a negative impact on the 9 Spokes Group. | 10.2 |

| RISK | SUMMARY OF RISK | SEE SECTION |
|---|---|-------------|
| Low Customer uptake risk | The 9 Spokes Group expects to generate revenue from App subscription by Customers who use the 9 Spokes Platform. A lack of Customer demand for Apps made available through the 9 Spokes Platform could limit revenue and have a material adverse effect on the growth prospects and/or financial position of the Company. | 10.2 |
| Relationship with suppliers | If suppliers to the 9 Spokes Group, including, without limitation, those used to host the 9 Spokes Platform or to manage Customer relationships, cease to provide those services, the ability for the Company to provide the 9 Spokes Platform and related services would be adversely affected. | 10.2 |
| Interruptions to operations, including infrastructure and technology failure | The Company could be exposed to short, medium or long-term interruptions to its operations as it relies on infrastructure and technology to provide its products and services, including a significant reliance on third party infrastructure and services. | 10.2 |
| Right of Barclays to purchase source code | Barclays holds a “Source Code Option”. If exercised, Barclays will pay the Company an agreed amount, entitling Barclays from any time after expiry of the initial 3 year term to a conditional perpetual license to use the 9 Spokes System source code for the purpose of operating an instance of the Platform independently of the Company. The Company granted this right as part of the commercial agreement between the parties. There is a risk that, if this right is exercised by Barclays, the Company will lose many or all of the CP Customers of Barclays. While the loss of CP Customers of Barclays is likely to have a material impact on the Company’s revenue in the short to medium term, the agreed amount that Barclays must pay to exercise this right is expected to substantially compensate the Company for the loss of any such CP Customers of Barclays. | 10.2 |



**INDUSTRY
OVERVIEW**

05

05

INDUSTRY OVERVIEW

The Company and the other members of the 9 Spokes Group participate in the cloud services industry, through their development, commercialisation, operation and maintenance of the 9 Spokes Platform, which is a Software as a Service (**SaaS**) product.

Participants in the cloud services industry who offer SaaS products typically utilise publically available cloud infrastructure to provide software solutions to customers, without those customers needing to incur the costs of acquiring and maintaining their own hardware infrastructure and the costs of traditional software licensing.

5.1 9 SPOKES GROUP'S TARGET MARKET

The target market of the 9 Spokes Group is small to medium enterprises (**SMEs**) globally. The 9 Spokes Group believes that many of these businesses are likely to manage parts of their operation using SaaS Apps.

It is the 9 Spokes Group's objective for the 9 Spokes Platform to provide a single SaaS "gateway" to a range of SaaS Apps and data specially selected for their relevance to SMEs in the Company's target markets from time to time. The 9 Spokes Group's

business model is intended to save each SME using the 9 Spokes Platform from the practical burden of establishing whether a given App is appropriate to that SME's particular business.

The 9 Spokes Group establishes relationships with OSPs to make their existing Apps, which 9 Spokes Group's own accreditation process has assessed to be the best available, accessible from within the 9 Spokes Platform. By only placing OSP Apps that are already available in a given market on the 9 Spokes Platform, the 9 Spokes Group minimises the development time and expense of customising the 9 Spokes Platform for each market.

5.2 SAAS GROWTH ESTIMATES

In its 2014 Future of Cloud Computing survey, North Bridge Venture Partners found, based on a survey of 1358 respondents, that in 4 years, SaaS adoption within surveyed organisations had increased from 13% in 2011, to 74% in 2014.¹

In accordance with Gartner's Forecast Analysis: Public Cloud Services, Worldwide, 1Q16 Update (**Gartner Report**), and as shown at Figure 2 below, "Total spending on public cloud services is forecast to reach \$367 billion through 2020, growing at a CAGR of 15.8% for the 2015 through 2020 time frame, primarily driven by IaaS and SaaS with CAGRs of 30.5% and 17.9%, respectively."² Note: **CAGR** stands for "Compound Annual Growth Rate" and **IaaS** stands for "Infrastructure as a Service."

According to the Gartner Report, "The SaaS market grew to \$37.83 billion for 2016 at a growth rate of 19.5% up from 16% in 2015. Gartner projects this number to be 15.3% in 2020 indicating a maturity of the SaaS market with CAGR growth of 17.9% from 2014 through 2020."³ The Gartner Report further states that, "The decision to deploy SaaS-based applications within an enterprise depends on the business criticality of the solution, as well as the organization's geography, business agility, usage scenario and IT architecture."⁴

As shown at figure 3 below, according to the Gartner Report, 88% of organisations "have a cloud first strategy." As shown at figure 4 below, the Gartner Report finds that reasons for organisations considering cloud services as the first, and preferred option for IT investments include: "Cloud services reduce IT costs", "Cloud Services drive business growth", "Cloud Services make the organization more agile", "Cloud services enable IT scalability" and "Cloud Services are more innovative."⁵

5.3 THE COMPETITION

The Company is aware of only one competitor, Maestrano Pty Ltd, in its current target markets in Australia, New Zealand and the United Kingdom that supports a similar complete feature set to that provided by the 9 Spokes Platform. The Company is also aware that there are several companies providing disparate SaaS elements in those target markets which are similar to aspects of the 9 Spokes Platform.

The wide availability of public cloud infrastructure means there are low barriers to entry for potential competitors to enter into the market being serviced by the 9 Spokes Group.

WHAT GROWTH ARE PUBLIC CLOUD SERVICES EXPECTED TO HAVE?*

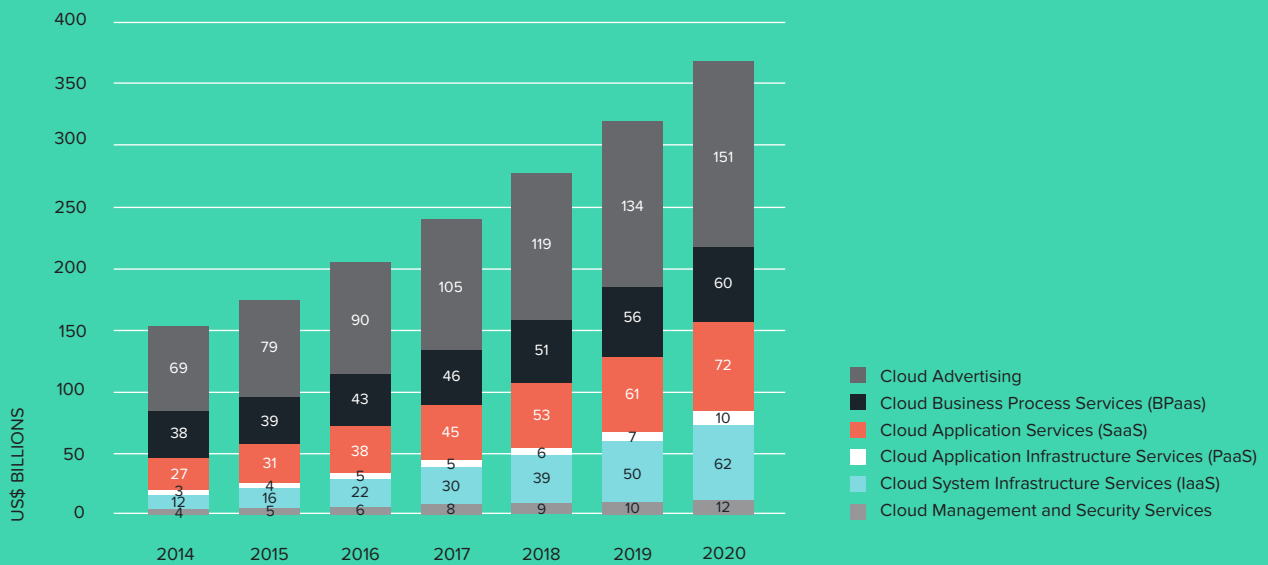


Figure 2: Gartner Report, p. 10, “Growth in IT Spending on Public Cloud Services, 2014-2020.”
Source Gartner Inc. (May 2016) G00302291, Figure 2

CLOUD FIRST STRATEGIES?*

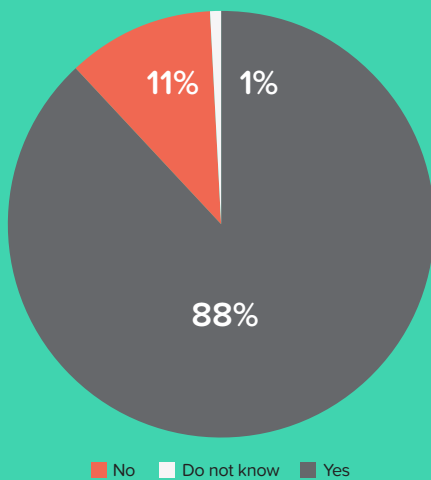


Figure 3: Gartner Report, p. 13, “Does your organization have a cloud first strategy?”
Source Gartner Inc. (May 2016) G00302291, Figure 4
Note: This is one of three graphs from Figure 4

WHY CLOUD FIRST AND PREFERRED?*

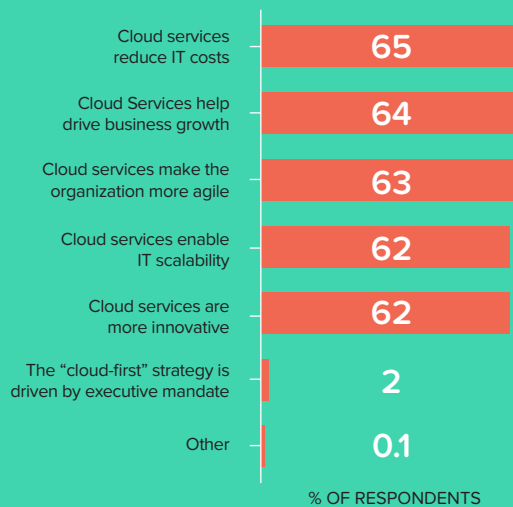


Figure 4: Why does your organization consider cloud services as the first, and preferred option for IT investments?
Source Gartner Inc. (May 2016) G00302291, Figure 4
Note: This is one of three graphs from Figure 4

1 <http://www.northbridge.com/industry-largest-cloud-computing-survey-reveals-5x-adoption-saas>.
2 Gartner’s Forecast Analysis: Public Cloud Services, Worldwide, 1Q16 Update, 02 May 2016, page 1.
3 Ibid, page 12.
4 Ibid, page 12.
5 Ibid, page 13, Figure 4.

* Note: The data reflected in the above graphs arises from third party research, and its accuracy has not been verified by the Company. In particular, the graph in Figure 2 contains estimates for periods past, and forward looking estimates. These are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

- The Gartner Report(s) described herein, (the “Gartner Report(s)”) represent(s) research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. (“Gartner”), and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this Prospectus) and the opinions expressed in the Gartner Report(s) are subject to change without notice.



06

**OVERVIEW OF
THE COMPANY**



06

OVERVIEW OF THE COMPANY

6.1 BACKGROUND

The Company is the Holding Company for all other members of the 9 Spokes Group. The Company was established by Mark Estall (Co-Founder and Director), and Adrian Grant (Co-Founder) in 2011.

The 9 Spokes Group develops, commercialises, operates and maintains the 9 Spokes Platform. The 9 Spokes Platform is comprised of the 9 Spokes System, hosted on IBM Softlayer public cloud infrastructure.

The 9 Spokes Platform provides a cloud services brokerage, including an online marketplace platform for third party Apps, to Customers and their End Users or, in the case of CP Customers and their End Users, via a customised version of the 9 Spokes Platform created and operated by the 9 Spokes Group for a Channel Partner. The Apps selected for availability on the 9 Spokes Platform are intended to be used primarily by SMEs. Customers and their End Users have single password access to the 9 Spokes Platform to access Apps which have been subscribed to by the Customer, where the relevant App supports this single sign-on feature.

With Customer consent, data from Apps is extracted and processed by the 9 Spokes System and key business data and associated metrics (both financial and non-financial) can be displayed to End Users through Widgets on the Dashboard. Widgets can enable the Customer and their End Users to compare anonymised real-time benchmarking data with the Customer's own business data.

6.2 KEY MILESTONES ACHIEVED

→ MARCH 2014

Deloitte Alliance Agreement signed.

→ JULY 2014

Delivery of Deloitte Private Connect platform ahead of public launch of Deloitte Private Connect.

→ SEPTEMBER 2014

Beta launch of 9 Spokes.com.

→ OCTOBER 2014

Deloitte Private Connect begins migrating live Customers following extensive testing.

→ NOVEMBER 2015

Agreement signed with Barclays Bank PLC (see section 12).

→ APRIL 2016

Agreement signed with Suncorp Corporate Services Pty Ltd (see section 12).

6.3 ROLE OF COMPANIES IN THE 9 SPOKES GROUP

There are currently 6 companies in the 9 Spokes Group:

| Company Name | Jurisdiction | Date of Incorporation | Role and Relationship |
|---|---|-----------------------|---|
| 9 Spokes International Limited | New Zealand, Australia (registered as a foreign company) and United Kingdom | 19 September 2011 | The Company is the Holding Company, which is responsible for development of the 9 Spokes Platform, including the customised versions of the 9 Spokes Platform for Channel Partners. All Intellectual Property Rights (other than patents) in the 9 Spokes Platform are intended to be owned by this company. It is the contracting party to the Channel Partner agreements. It enters into commercial arrangements to provide the necessary hosting and infrastructure for the 9 Spokes Platform. It also engages in marketing on behalf of the 9 Spokes Group. |
| 9 Spokes Australia Pty Limited ACN 169 029 001 | Australia | 10 April 2014 | This company will sell and license for use Apps of Billing OSPs through the 9 Spokes Platform directly to Customers in Australia. It will also have local marketing and sales responsibilities. See also Section 13.5. 100% of the shares in this company are held by the Company. |
| 9 Spokes UK Limited (UK Company No: 09924541) | United Kingdom | 21 December 2015 | This company will sell and license for use Apps of Billing OSPs through the 9 Spokes Platform directly to Customers in the United Kingdom. It will also have local marketing and sales responsibilities. 100% of the shares in this company are held by the Company. |
| 9 Spokes Nominee No 1 Limited (NZ Company No: 5499826) | New Zealand | 12 November 2014 | This company is not currently used. 100% of the shares in this company are held by the Company. |
| 9 Spokes Knowledge Limited (NZ Company No: 5694360) | New Zealand | 5 May 2015 | This company has registered one application for a Patent Cooperation Treaty patent. 100% of the shares in this company are held by the Company. |
| 9 Spokes Trustee Limited (NZ Company No: 5746714) | New Zealand | 16 July 2015 | This company is not currently used. 100% of the shares in this company are held by the Company. |

6.4 BUSINESS OVERVIEW

6.4.1 Problem to solve

SMEs are increasingly using cloud-based Apps to run their businesses. However, the Company believes that many SMEs encounter difficulty in identifying which Apps are suitable for their businesses, together with difficulty in integrating and unifying the increasing number of Apps which are available. The 9 Spokes Group aims to assist SMEs by addressing these problems, improving their App user experience and, as a result, increasing their efficiency.

| The problem for a typical SME | | The 9 Spokes solution |
|---|---|--|
| 1. There are too many App choices, how do I find the right software for my business and industry? | → | 9 Spokes recommends what it considers to be “best-of-breed” Apps by industry type |
| 2. Will the selected App integrate with my other software? | → | 9 Spokes integrates the Apps to suit industry verticals |
| 3. How do I get visibility of my business performance and what are the right metrics? | → | 9 Spokes presents key metrics to run your business on a single 9 Spokes Dashboard and allows real time collaboration with your advisors |
| 4. How am I performing relative to my peers? | → | 9 Spokes provides peer tracking, benchmarking and suggestions for best practice to help with daily decisions |
| 5. Will this software make me more efficient and save me time and money? | → | 9 Spokes aims to reduce administration with one sign-on for selected Apps, one bill for the majority of Apps and integrated Apps that are pre-selected for your industry |

Figure 5: The 9 Spokes Solution for SMEs

6.4.2 Solution

By using the 9 Spokes System, a Customer receives, and can make available to their End Users:

- a suite of recommended Apps applicable to the Customer's industry;
- automatically integrated Apps;
- a real-time Dashboard providing key metrics displayed on Widgets applicable to a Customer's industry;
- the provision of benchmarking data;
- a single invoice for all Apps supplied by Billing OSPs;
- single sign-on for certain Apps, where an App supports this feature; and
- a direct portal interface for the Customer's chosen Business Service Partners.

The 9 Spokes Group operates a four-step process to identify, integrate and extract data for reporting to Customers.

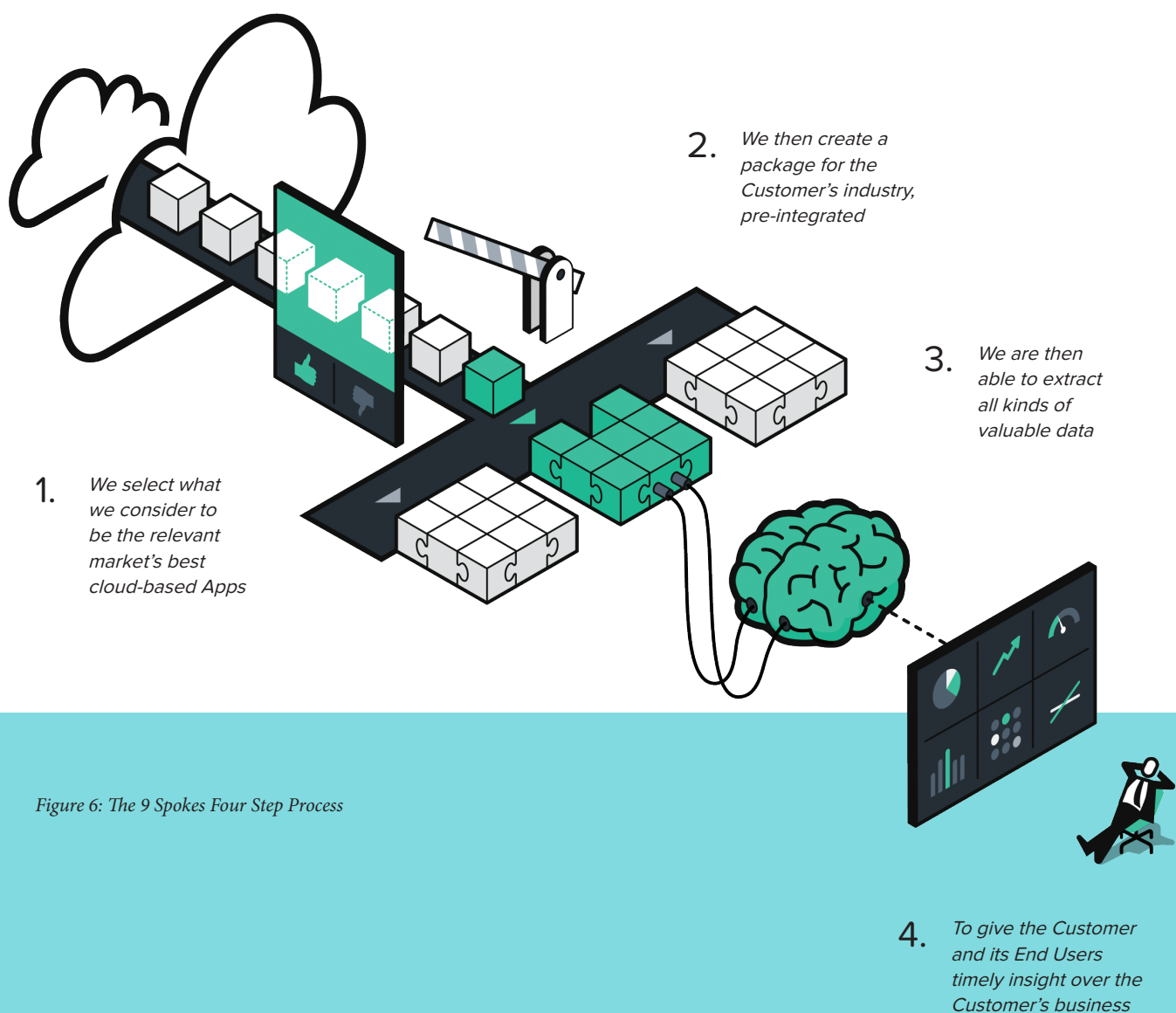


Figure 6: The 9 Spokes Four Step Process

6.4.3 Application Selection and Integration

The 9 Spokes Group aims to identify the “best-of-breed” cloud-based Apps across each of the “9 Spokes” of SME businesses:



Figure 7: The “9 Spokes” of an SME

The 9 Spokes Group has arrangements with OSPs to market and make features of Apps available through the 9 Spokes Platform, across one or many territories. For each business area, geography and industry, the 9 Spokes Group aims to identify approximately four high quality cloud-based Apps and, in total, provide around 120 Apps on the 9 Spokes Platform. The available Apps are expected to evolve over time as new Apps are developed.

Apps are integrated with the 9 Spokes Platform through an API. The 9 Spokes Platform extracts data from Apps using the API to populate each Customer’s Dashboard and the 9 Spokes Platform’s Community Information Store.

By providing OSPs access to the 9 Spokes System’s API, the 9 Spokes Group is aiming to significantly simplify the process for OSPs of linking with the 9 Spokes Platform and enabling OSPs to focus on producing standardised outputs. The use by OSPs of standardised output data is also expected to significantly speed up the process of incorporating App Data from new OSP Apps to the 9 Spokes Platform.

6.4.4 Business Support Partners

The Company has also commenced establishing arrangements with various business advisors, specialist support partners, and technical advisors to act as Business Support Partners, or BSPs.

The primary role of Business Support Partners is to ensure that Customers and End Users have the best experience transitioning their business to “the cloud”. The 9 Spokes Group provides facilities for BSPs to work directly with the Customer or their End User. There are three Business Support Partner categories: “Business Advisors”, “Technical Advisors”

and “Specialist Support Partners”. The types of assistance each of these BSPs can provide include:

Business Advisors provide:

- decision support with software selection – pre-sale;
- assistance in moving data once software is being used;
- Customer and End User implementation support;
- Dashboard guidance and adoption; and
- strategic business advice, powered by 9 Spokes System benchmarking.

Technical Advisors provide:

- remote support;
- IT set-up to maximise cloud adoption;
- Customer and End User security check and implementation;
- data transfer to expedite software usage;
- implementation of software; and
- IT administration role through a partner portal (when available).

Specialist Support Partners provide:

- Customer and End User software enablement;
- Customer and End User software and data migration;
- Customer and End User training;
- general cloud strategy assistance; and
- 9 Spokes Group strategy encouragement.

The 9 Spokes Group is developing a “partner portal” that will assist Business Support Partners to more efficiently undertake a number of their Customer support tasks. It is proposed that some of the funds from this Offer will be used to further develop the partner portal.

6.4.5 The Dashboard

The Dashboard is designed to provide a Customer with a real time snapshot of their business and enable early identification of positive or adverse trends (for example, rising or falling sales). This allows Customers to quickly identify and react to potential problems, or to capitalise on opportunities as soon as they are presented.

The 9 Spokes Group has designed a number of Widgets, which may be added by the Customer to their Dashboard, and graphically show key combinations of App Data in real time. The Widgets report App Data to the Customer and their End Users once the Customer has subscribed for the relevant App to provide App Data to the Widget.

Widgets are available to Customers through a Widget library. While Widgets have initially focused on accounting metrics, this is being expanded by the 9 Spokes Group to provide specialised Widgets for a wide range of industry verticals and categories of a financial and non-financial nature. The Widget library recommends Apps for the Customer to purchase in the event that there is a specific Widget that a Customer may wish to use.

The 9 Spokes Platform also has the capability to calculate and provide aggregated, anonymised benchmarking and peer performance data by industry to Customers. This is intended to enable Customers to understand their relative performance and whether they are operating at “best practice” for their industry. Benchmarking data is derived from anonymous, aggregated data stored within the Community Information Store, and is displayed to End Users on the Dashboard.

The 9 Spokes Group’s App integration process aims to ensure that App Data extracted is robust, can be reported in the Widgets and can be displayed identically, even if the App Data is from different Apps or the App changes.

6.4.6 Data Extraction

With the extraction of CIS Data to the Community Information Store, the 9 Spokes Platform generates a significant amount of detailed, standardised and normalised information on the performance of a large number of SMEs. This CIS Data potentially represents an SME Market “big data” opportunity. The 9 Spokes Group will process CIS Data to create aggregated, anonymous benchmarking data, compliant with legal obligations in relevant jurisdictions. The Company secures agreement to the use of App Data for this purpose through the terms and conditions accepted by each Customer, and generally in its contracts with Channel Partners.

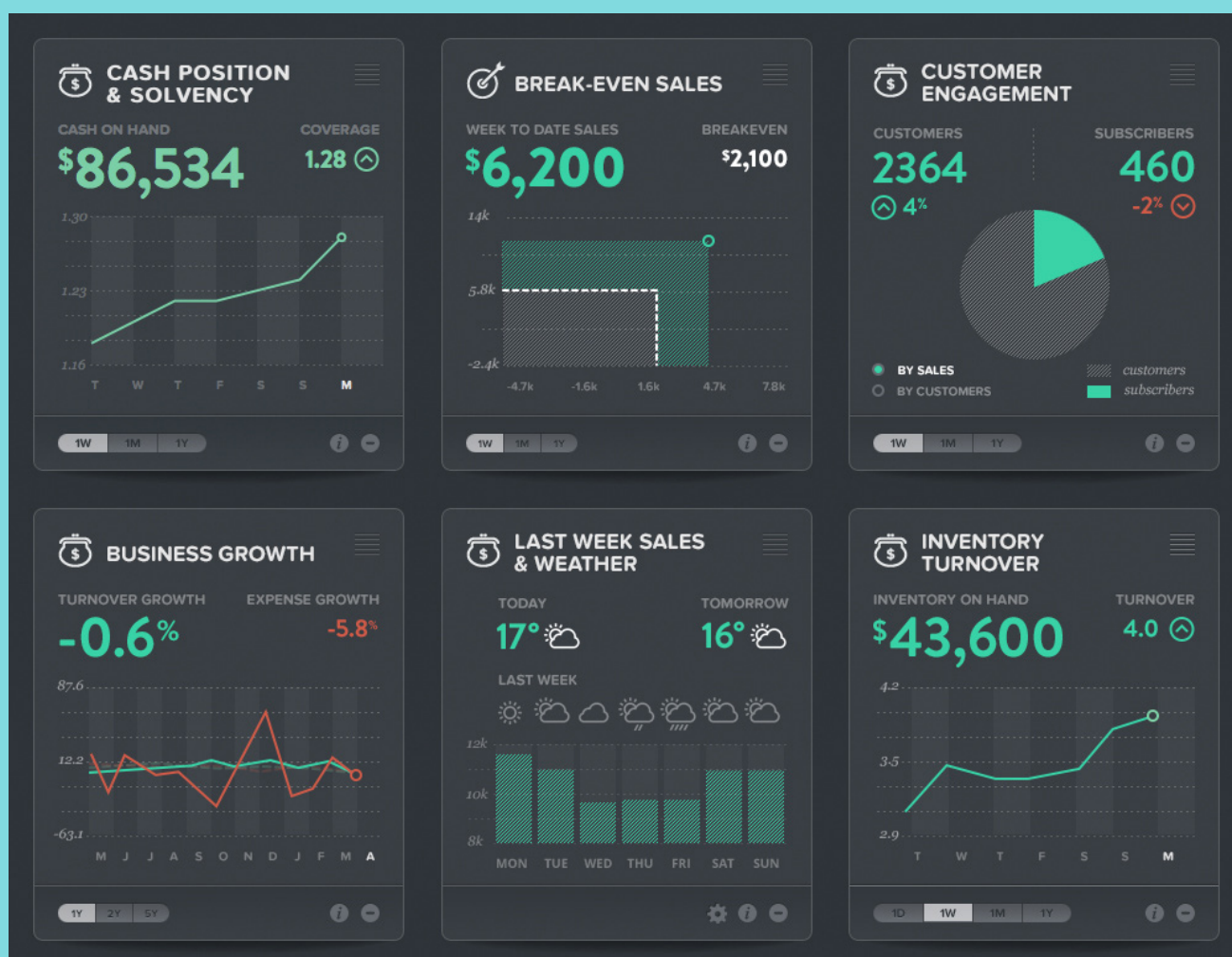


Figure 8: A possible selection of Widgets displayed on the Dashboard

The 9 Spokes Group believes that there is significant potential to monetise the “big data” and benchmarking data opportunities presented by CIS Data, either through its Channel Partners as a premium service or through the sale of data to industry research leaders, subject to compliance with legal obligations in relevant jurisdictions.

6.5 ARCHITECTURE OVERVIEW

The 9 Spokes Platform is hosted on IBM Softlayer public cloud infrastructure. The 9 Spokes Group currently utilises a main data centre in Melbourne, with test data centres in other jurisdictions. The SoftLayer infrastructure allows the 9 Spokes Group to host the 9 Spokes Platform in data centres in other jurisdictions as required in order to meet performance and customer requirements.

6.5.1 Technology Resources

The 9 Spokes Group currently employs a team of in-house and outsourced technical staff including enterprise architects across the disciplines of infrastructure, integration, data, information and development. Members of the team are engaged to apply their specialist skills to building relevant functional areas of the 9 Spokes Platform, in accordance with the 9 Spokes Platform development roadmap. Ownership of all Intellectual Property Rights developed by any team member in connection with the 9 Spokes Platform is intended to be owned solely by a member of the 9 Spokes Group.

6.5.2 Intellectual Property Rights

The Company owns, develops and operates the 9 Spokes System for its direct Customers and Channel Partners (including their CP Customers). Usage of all instances of the 9 Spokes System (including Channel Partner customised instances) is based on a SaaS license model, and neither Customers nor Channel Partners are granted a license to copy or create independent instances of the 9 Spokes Platform under normal circumstances.

The 9 Spokes Group owns, or is the beneficial owner of, trademarks and domain names in each of its target markets. The Company’s intellectual property portfolio register records the various trademark and domain name registrations. For further detail, see Section 14.

9 Spokes Knowledge Limited (a member of the 9 Spokes Group), has registered one application for a Patent Cooperation Treaty (PCT) patent, based on the Dashboard’s ability to present benchmarking and best-practice metrics in a unique way. In this regard see Section 14.

Customised 9 Spokes Platforms are built from the core 9 Spokes System with modifications and customisations made to suit each Channel Partner’s requirements. The 9 Spokes Group manages and maintains the 9 Spokes Platform on behalf of the Channel Partner. The Company (or another member of the 9 Spokes Group) is the sole owner of developed Intellectual Property Rights in the 9 Spokes System, including customisations (although customisations may be subject to exclusive licenses in favour of the relevant Channel Partner), except in limited circumstances where specifically negotiated with the Channel Partner. In this regard, see Section 12.

The 9 Spokes Group will generally license the 9 Spokes System non-exclusively to a Channel Partner, but may license exclusively for a specific industry sector or territory where the Company determines there to be a strong commercial imperative for doing so. To date, various Channel Partners have been granted certain exclusive rights in respect of specific industry sectors in Australia, the United Kingdom and Africa. Expected candidates as Channel Partners include banks, financial advisors and telecommunications companies.

Historically, the Company granted a perpetual license in respect of certain aspects of a prior version of the 9 Spokes System to an Australian banking institution. That license is non-exclusive and authorises that institution to use and develop certain materials that were delivered to that institution by the Company in May 2013.

6.6 ONLINE SOFTWARE PARTNERS

The 9 Spokes Group currently has distribution agreements with a number of OSPs. It is intended that, in time, the 9 Spokes Group will populate the 9 Spokes Platform store with approximately 120 of what the 9 Spokes Group’s subject matter experts have determined to be “best-of-breed” Apps for Billing OSPs. Apps for other OSPs will integrate with the 9 Spokes Platform through Connectors.

Apps are added to the 9 Spokes Platform allowing flexibility to meet market demand as business requirements change. Channel Partners also have the option to include strategic OSPs so they can add value to their customised 9 Spokes Platform implementations. For example, a Channel Partner may have specific in-house applications to allow professional advisors to interact with their Customers in relation to transaction approvals, payments and general queries.

Being on the 9 Spokes Platform offers a number of potential benefits for OSPs:

- low cost distribution of their product;
- access to the Customers of the 9 Spokes Group and its Channel Partners who are likely to buy further Apps once on the 9 Spokes Platform;
- reduced customer churn. Customers on the 9 Spokes Platform are expected to experience added benefits such as integration and the Dashboard; and
- significantly reduced App-to-App integration cost as OSPs have access to the 9 Spokes Group’s API and integration tools.

6.7 REVENUE MODEL

6.7.1 App Margin and Connector fees

For Apps provided by Billing OSPs, 9 Spokes will market and resell the Billing OSPs’ Apps directly from the 9 Spokes Platform. Billing OSP Apps are generally charged on a recurring subscription basis, and a subscription can be either initially purchased by the Customer through the 9 Spokes Platform, or, if the Customer has already acquired a subscription directly from the Billing OSP, the billing arrangements can be transferred from the Billing OSP’s own billing platform to the 9 Spokes Platform. When Billing OSP Apps

are paid for using the 9 Spokes Platform, a Customer will not pay any more in subscription fees than they would have done if they had paid the Billing OSP for those Apps directly. The 9 Spokes Group retains a percentage of all OSP App subscription amounts billed via the 9 Spokes Platform, with the remainder being paid by 9 Spokes to the OSP. The percentage retained by the 9 Spokes Group is specified in the agreement entered into between the Company and the relevant Billing OSP (see Section 12).

The 9 Spokes Group's invoices Customers for their use of Billing OSP Apps monthly, and pays the Billing OSP the month following. As such, there is minimal cash flow exposure and customer credit exposure for the 9 Spokes Group.

For Apps not provided by Billing OSPs, (ie, Apps which are not billed through, or subscribed for using, the 9 Spokes Platform), a Customer may acquire access rights directly from the providing OSP, and the App can then be integrated with the 9 Spokes Platform by means of a Connector. This allows the App Data aggregation and display benefits of the 9 Spokes Platform to be extended to all OSP Apps. Currently, the 9 Spokes Group does not derive direct revenue from the use of such Connectors, but the Company may charge Customer's a direct fee for the use of certain Connectors in the future.

Factors that affect the amount of revenue the 9 Spokes Group expects to generate through App integrations include the:

- number of direct Customers or CP Customers;
- number of Apps each Customer purchases through the 9 Spokes Platform or transfers into the 9 Spokes Platform;
- average sale price and retention percentage applicable to each Billing OSP App;
- number of End User seats/licenses that may be charged per App;
- number of Apps not provided by Billing OSPs for which the 9 Spokes Group charges a Connector use fee; and
- amount of any Connector use fee charged by the 9 Spokes Group.

6.7.2 Annual License Fees

The 9 Spokes Group generates revenue from the development and licensing of Channel Partner specific instances of the 9 Spokes Platform, which include a customised interface configured to appear in accordance with the Channel Partner's requirements. The Channel Partners then make the customised 9 Spokes Platform available to their CP Customers. The 9 Spokes Group is currently developing customised 9 Spokes Platform configurations for Suncorp in Australia, and Barclays in the United Kingdom, for which license fees will be payable.

The license fee may be a fixed annual fee or may include a variable annual amount. Generally, a variable annual fee declines as the number of Customers using the Channel Partner branded instance of the 9 Spokes Platform increases. This is intended to provide a stable and predictable income for the 9 Spokes Group in the early years of the channel as it develops.

6.7.3 Channel Partner specific platform deployment fees

The 9 Spokes Group will charge a one-time fee for the design, build and deployment of Channel Partner customised instances of the 9 Spokes Platform. These charges reflect the extent of customisation, integration, process design, services deployed (e.g. billing) and user journeys the Channel Partner requires. Integration with Channel Partner's own systems may include:

- End User management and customer service and relationship management;
- billing and revenue tracking;
- Channel Partner based enriched data sources; and
- integrated Channel Partner Widgets.

Development and design of marketing integration and End User journeys may include:

- End User journeys and experience design;
- branding and configuration;
- product design and implementation;
- Channel Partner training;
- market insights and market implementation planning;
- up-sell, cross-sell;
- Channel Partner support solution design; and
- OSP, Business Service Partner and ecosystem establishment.

6.7.4 Accounting Revenue Recognition

9 Spokes Platform license fees will be recognised as revenue over the license period. Deployment or implementation fees are deferred and recognised as revenue over the expected period of the hosting service. No revenue for deployment or implementation fees should be recognised over the implementation period. The App margin is recognised as revenue by the Company over the period of the license for use of the Apps. The gross App fees paid by Customers are not recognised as revenue by 9 Spokes; only the margin.

6.7.5 Business Data and Analytics

The 9 Spokes Platform has been designed to be the conduit for information flow between Channel Partners and their CP Customers and End Users. It is intended that this will provide a unique offering of informative data insights to the Channel Partner's Customers, providing business analytics, best practice data, benchmarking data and industry statistics. The 9 Spokes Group may in the future charge a recurring monthly fee for the provision of this information.



07

**FINANCIAL
INFORMATION**

07

FINANCIAL INFORMATION

7.1 INTRODUCTION

The financial information for the Company contained in this Section 7 includes:

- Statutory historical consolidated financial information for the 9 Spokes Group being the:
 - Statutory historical consolidated income statements for the years ended 31 March 2014 (**FY2014**), 31 March 2015 (**FY2015**) and 31 March 2016 (**FY2016**) (**Statutory Historical Income Statements**);
 - Statutory historical consolidated cash flow statements for FY2014, FY2015, FY2016 (**Statutory Historical Cash Flow Statements**); and
 - Statutory historical consolidated balance sheet as at 31 March 2016 (**Statutory Historical Balance Sheet**);collectively, the (**Statutory Historical Financial Information**).
- Pro forma historical financial information for the 9 Spokes Group being the:
 - Pro forma historical consolidated balance sheet as at 31 March 2016 assuming minimum proceeds of A\$15m are raised from the Offer; and
 - Pro forma historical consolidated balance sheet as at 31 March 2016 assuming maximum proceeds of A\$25m are raised from the Offer each a (**Pro Forma Historical Balance Sheet**);collectively, the (**Pro Forma Historical Financial Information**).

The Statutory Historical Financial Information and the Pro Forma Historical Financial Information together is referred to as the (**Financial Information**).

Also summarised in this Section 7 are:

- the basis of preparation and presentation of the Financial Information; and
- the Company's proposed dividend policy.

All amounts disclosed in the tables in this Section 7 are presented in New Zealand dollars unless otherwise specified (for example, in Sections 7.4.2 and 7.8) and, unless otherwise noted, are rounded to the nearest thousand dollars.

7.2 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL INFORMATION

7.2.1 Overview

The statutory consolidated historical income and cash flow statements of the 9 Spokes Group for FY2014, FY2015 and FY2016 have been audited by PricewaterhouseCoopers New Zealand (**Auditor**). The Auditor has issued an unqualified opinion in respect of FY2014, FY2015 and FY2016 but with an emphasis of matter in relation to the material uncertainty about the 9 Spokes Group's ability to continue as a going concern on the basis that further equity investment would be required by the Company within 12 months of signing the relevant period financial statements.

The Financial Information has been prepared and presented in accordance with the recognition and

measurement principles of Generally Accepted Accounting Practice in New Zealand which comply with New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**) and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board.

The Financial Information is presented in this Prospectus in an abbreviated form insofar that it does not include all of the presentation and disclosures required by NZ IFRS or IFRS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Companies Act.

The Company's key accounting policies are set out later in this Section 7. They have been consistently applied throughout the periods presented.

On admission to the Official List, the 9 Spokes Group's consolidated financial statements will continue to be prepared in accordance with NZ IFRS and IFRS, and will continue to be audited in accordance with International Standards on Auditing New Zealand.

The financial information presented in this Section 7 should be read in conjunction with the risks set out in Section 10 and other information contained in this Prospectus.

7.2.2 Preparation of Historical Financial Information

The Statutory Historical Financial Information has been extracted from the audited consolidated financial statements of the 9 Spokes Group for FY2014, FY2015 and FY2016.

The Statutory Historical Financial Information and Pro Forma Historical Financial Information presented in the Prospectus has also been reviewed by the Investigating Accountant. Investors should also note the scope and limitations of the Investigating Accountant's Report included in Section 8.

Investors should note that past results are not a guarantee of future performance.

7.2.3 No Prospective Financial Information

This Prospectus does not contain prospective financial information. Given the inability to derive reasonable assumptions for the period covered by prospective financial information, the Company is of the view that any prospective financial information would be likely to mislead potential investors in a material manner because actual operational revenue for that period could be materially different from that projected which would, in turn, materially alter the 9 Spokes Group's financial performance over that period from that shown in any prospective financial information.

7.3 STATUTORY HISTORICAL INCOME STATEMENTS

As the Holding Company of the 9 Spokes Group, the Company currently primarily generates revenue from developing and providing a customised version of the 9 Spokes Platform for Channel Partners. The Company may also obtain license fees from Channel Partners.

Members of the 9 Spokes Group also generate revenue from retaining a percentage of subscription fees collected from Customers in respect of Apps

offered by Billing OSPs, where those fees are charged through the 9 Spokes Platform. Currently, such revenues are not material.

For Apps not provided by Billing OSPs, the Company may in the future also generate revenue by directly charging customers for the use of Connectors in respect of such Apps.

The table below presents the Statutory Historical Income Statements for the year ended 31 March for FY2014, FY2015 and FY2016.

| For the years ended 31 March | FY2014 | FY2015 | FY2016 |
|-----------------------------------|--------------|----------------|----------------|
| | NZ\$'000 | NZ\$'000 | NZ\$'000 |
| Revenue | 1,972 | 97 | 710 |
| Expenses: | | | |
| Research and development expenses | (802) | (3,104) | (3,407) |
| Administrative expenses | (1,721) | (3,583) | (2,868) |
| Operating loss | (551) | (6,590) | (5,565) |
| Net finance income | 4 | 29 | 13 |
| Net loss before income tax | (547) | (6,561) | (5,552) |
| Income tax credit / (expense) | - | - | 140 |
| Net loss after income tax | (547) | (6,561) | (5,412) |

Figure 9: Statutory Historical Income Statements from FY2014 to FY2016 of the 9 Spokes Group

- The results for FY2014, FY2015 and FY2016 include non-recurring transactions.
- In FY2015 there were one-off sign-on fees to the Directors of NZ\$420,000, settled by way of share based payments.
- In FY2016 there were a total of NZ\$333,000 in one-off transactions relating to IPO costs, legal fees and a tax credit.
- Research and Development related employment costs are presented in research and development expenses in the above table.

In particular, it is noted that in FY2014 certain non-recurring revenues were received by the Company being fees earned from a "proof of concept" customised instance of the 9 Spokes System. Further, NZ\$1.8 million of implementation revenue received from a Channel Partner as milestone payments for the implementation of a customised version of the 9 Spokes Platform has been deferred as at 31 March 2016.

7.4 PRO FORMA HISTORICAL BALANCE SHEET

The Pro Forma Historical Balance Sheet below sets out the adjustments that have been made to the audited Statutory Historical Balance Sheet for the 9 Spokes Group for FY2016 to prepare Pro Forma Historical Balance Sheet, one to reflect the Minimum Subscription of A\$15 million and one to reflect the Maximum Subscription of A\$25 million. These adjustments reflect

the impact of the operating and capital structure that will be in place following the Closing Date of the Offer as if it had occurred or was in place as at 31 March 2016.

The Pro Forma Historical Balance Sheet is provided for illustrative purposes only and is not represented as being necessarily indicative of the 9 Spokes Group's future financial position. Further information on the sources and uses of funds of the Offer is contained later in this Section 7.

| Financial Position as at | 31 March 2016 | Minimum Subscription A\$15 million | | Maximum Subscription A\$25 million | |
|-------------------------------------|---------------|------------------------------------|---------------|------------------------------------|---------------|
| | NZ\$'000 | NZ\$'000 | NZ\$'000 | NZ\$'000 | NZ\$'000 |
| | | Impact of the Offer | Pro forma | Impact of the Offer | Pro forma |
| NON-CURRENT ASSETS | | | | | |
| Property, plant and equipment | 96 | - | 96 | - | 96 |
| Non-current assets | 96 | - | 96 | - | 96 |
| CURRENT ASSETS | | | | | |
| Trade and other receivables | 744 | (83) | 661 | (83) | 661 |
| Cash and cash equivalents | 3,381 | 14,523 | 17,904 | 24,739 | 28,120 |
| Current assets | 4,125 | - | 18,565 | - | 28,781 |
| Total Assets | 4,221 | - | 18,661 | - | 28,877 |
| EQUITY | | | | | |
| Share capital | 12,743 | 14,533 | 27,276 | 24,678 | 37,421 |
| Share based payment reserve | 971 | 637 | 1,608 | 637 | 1,608 |
| Accumulated losses | (12,812) | - | (12,812) | - | (12,812) |
| Issue costs expenses | - | (395) | (395) | (324) | (324) |
| Total equity | 902 | - | 15,677 | - | 25,893 |
| CURRENT LIABILITIES | | | | | |
| Trade & other payables | 1,458 | (335) | 1,123 | (335) | 1,123 |
| Deferred revenue | 1,861 | - | 1,861 | - | 1,861 |
| Current liabilities | 3,319 | - | 2,984 | - | 2,984 |
| Total Liabilities | 3,319 | - | 2,984 | - | 2,984 |
| Total equity and liabilities | 4,221 | - | 18,661 | - | 28,877 |

Figure 10: Pro Forma Historical Balance Sheet of the 9 Spokes Group

- An exchange rate of A\$1 to NZ\$1.10 has been applied.
- IPO costs of NZ\$252,164 were expensed by 31 March 2016 and NZ\$83,207 were deferred in Trade and other receivables.
- Under the Minimum Subscription of A\$15 million, NZ\$1,329,722 costs will be charged against share capital and a further NZ\$395,386 expensed.
- Under the Maximum Subscription of A\$25 million, NZ\$2,184,506 costs will be charged against share capital and a further NZ\$324,902 expensed.
- Cash received under the Minimum Subscription of A\$15 million represent gross proceeds from issue of NZ\$16.5 million less cost of offer of NZ\$1.98 million.
- Cash received under the Maximum Subscription of A\$25 million represent gross proceeds from issue of NZ\$27.5 million less cost of offer of NZ\$2.76 million.

7.4.1 Share Capital

The table below sets out a reconciliation of share capital from 31 March 2016 indicating the impact of the Offer.

| | Number of shares | NZ \$'000 | Share based payments reserve NZ \$'000 |
|--|--------------------|---------------|--|
| Number of Shares on Issue at 31 March 2016 | 277,963,494 | 12,743 | 971 |
| Share capital issued arising from the Offer under Minimum Subscription scenario | 75,000,000 | 16,500 | - |
| Less share issue costs | - | (1,330) | - |
| Fair value of advisor options | - | (637) | 637 |
| Total Share Capital post Offer under Minimum Subscription Scenario | 352,963,494 | 27,276 | 1,608 |
| Additional Share capital issued arising from the Offer under Maximum Subscription scenario | 50,000,000 | 11,000 | - |
| Less additional share issue costs | - | (855) | - |
| Total Share Capital post Offer under Maximum Subscription scenario | 402,963,494 | 37,421 | 1,608 |

Figure 11: Share Capital reflecting the impact of the Offer

- An exchange rate of A\$1 to NZ\$1.10 has been applied for the translation of equity raised under the Offer and Share issue costs.
- Share capital under the Minimum and Maximum Subscriptions scenarios in the figure above can be reconciled to the Pro Forma Historical Balance Sheet being the sum of share capital and share based payments.
- Share issue costs represent direct costs of the Offer such as brokerage fees and a portion of other costs incurred as part of the Offer.
- The share based payments reserve records the fair value of Shares and Options issued in consideration for services provided to the Company.
- The Company has entered into agreement with certain of its advisors to this Offer under which a total of 8,750,000 options having an exercise price of A\$0.20 will be issued to those advisors on a successful Listing. Details of those agreements are set out in Section 12. The weighted average of the fair value of each Option is A\$0.066 under the Black Scholes valuation model resulting in a charge to the Company of A\$579,375. The significant inputs into the model were a share price of A\$0.20 at the grant date, exercise price A\$0.30, volatility of 50%, no dividend, expected Option life of three years and the risk free interest rate of 2.51%.

7.4.2 Options

The table below shows the number of Options on issue as at the date of this Prospectus and the Options following a successful Completion of the Offer.

| | Number of options | Exercise price |
|---|-------------------|----------------|
| Options (vested) | 28,592,401 | A\$0.162 |
| Options (vested) | 14,296,186 | A\$0.198 |
| Employee Share Options (vest over three years of employment) | 1,875,882 | A\$0.144 |
| Total Options Pre-Offer | 44,764,469 | |
| Advisor Options on IPO success (vesting on 50% increase in Share price) | 8,750,000 | A\$0.20 |
| Total Options Post-Offer | 53,514,469 | |

Figure 12: Share Options

- Should all the currently vested Options (with a stated exercise price of A\$0.162 or A\$0.198) be exercised, share capital and cash would increase by A\$7.46m.
- An exchange rate of A\$1 to NZ\$1.10 has been applied for the translation of exercise price of the Pre-Offer Options.
- On the exercise of the Options, the number of Shares on issue will increase correspondingly.
- Not included in this figure are the Options the subject of Sections 14.12 which may be issued at a date after the Completion of the Offer.

7.4.3 Liquidity and Capital Resources

Following the Completion of the Offer, the Company's principal sources of funds will be the cash proceeds raised from the Offer. Cash flows from operations are expected as further described in Section 7.5.

The Company expects that it will have sufficient working capital available from the cash proceeds of the Offer under the Maximum Subscription scenario to fulfil the purposes of the Offer and meet its stated business objectives. If cash proceeds of the Offer under the Minimum Subscription scenario are raised all aspects of the Company's plan would need to be scaled back (compared with the Maximum Subscription scenario), and no funds would be able to be spent in market development. See Section 7.8 for further detail.

7.5 STATUTORY HISTORICAL CASH FLOW STATEMENTS

Set out below is a summary of the Statutory Historical Cash Flow Statements for 31 March FY2014, FY2015 and FY2016.

| For the year ended 31 March | FY2014 | FY2015 | FY2016 |
|--|--------------|----------------|----------------|
| | NZ\$'000 | NZ\$'000 | NZ\$'000 |
| Receipts from customers | 1,897 | 375 | 2,260 |
| Payments to employees and suppliers | (2,581) | (5,671) | (5,693) |
| Interest | 4 | 28 | 13 |
| Tax received/(paid) | - | (10) | - |
| Operating cash flow | (680) | (5,278) | (3,420) |
| Purchase of property, plant and equipment | (3) | (21) | (97) |
| Net proceeds from the issue of equity instruments | 836 | 5,709 | 6180 |
| Net cash flow from investing and financing activities | 833 | 5,688 | 6,083 |
| Net cash flow | 153 | 410 | 2,663 |

Figure 13: Summary of the Historical Cash Flow Statement for FY2014 to FY2016 of the 9 Spokes Group.

- As there is no cash impact from the non-recurring transactions referred to in the footnotes in Figure 9, there is no impact on these Historical Cash Flow Statements.

7.6 MANAGEMENT DISCUSSION AND ANALYSIS OF THE STATUTORY HISTORICAL FINANCIAL INFORMATION

7.6.1 General Factors Affecting the Operating Results

Below is a discussion of the general factors which affected the 9 Spokes Group's operations and relative financial performance in FY2014, FY2015, FY2016 which the Directors expect may continue to affect it in the future.

The discussion of those general factors is intended to provide a brief summary only and does not detail all factors that affected the 9 Spokes Group's historical operating and financial performance, nor everything which may affect operations and financial performance in the future.

Revenue

Revenue contribution from implementations of customised 9 Spokes Platforms for Channel Partners and subscriptions has been earned in the historical periods. NZ\$1.8 million of implementation revenue received from a Channel Partner as milestone

payments for the implementation of a customised version of the 9 Spokes Platform has been deferred as at 31 March 2016. This revenue will be recognised in the Income Statement over the term of the license to that Channel Partner, from the time End Users of CP Customers of the Channel Partner commence use of the 9 Spokes Platform. Revenue in FY2014 derives from a “proof of concept”; customised instance of the 9 Spokes System.

Operating expenses

Key expenses include:

Research and development expense: includes research and development (**R&D**) salaries, contractors, materials and other expenses related to the research and development of the 9 Spokes System. 9 Spokes Group’s level of R&D spend has been primarily driven by new business opportunities over the past 12 months. The principal component of R&D expense relates to R&D salaries, including subcontractors, which have steadily risen as the 9 Spokes Group has developed the 9 Spokes System towards its commercialisation.

Administrative expenses: operating expenses include administration costs, marketing costs, fundraising costs, Director’s fees and other expenses. There has been significant movement in the individual components of operating expenses year on year due to the Company’s changing circumstances over the period.

7.7 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The principal accounting policies adopted in the preparation of the Financial Information are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The Company will be unable to fund its operations based on its current cash position without additional capital or an increase in revenue. This indicates the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Company is undertaking an IPO on the ASX to raise between A\$15 million and A\$25 million. If the Minimum Subscription is reached, it is anticipated that the amount raised will provide sufficient cash for at least 12 months from the date of this Prospectus.

If additional equity cannot be raised, the Company would be unable to continue its planned development and growth. However, the Company is of the view that this is unlikely.

Entities reporting

9 Spokes International Limited is a company registered and incorporated under the Companies Act. The Company holds interests in the following mix of trading and non-trading entities as at 31 March 2016.

| Name | Country of incorporation and place of business | Nature of business |
|--------------------------------|---|---------------------------|
| 9 Spokes Australia Pty Limited | Australia | See Section 6.3 |
| 9 Spokes UK Limited | United Kingdom | See Section 6.3 |
| 9 Spokes Nominees No 1 Limited | New Zealand | See Section 6.3 |
| 9 Spokes Knowledge Limited | New Zealand | See Section 6.3 |
| 9 Spokes Trustee Limited | New Zealand | See Section 6.3 |

Figure 14: Other reporting members of the 9 Spokes Group

The Financial Information presented is for the 9 Spokes Group (the Company and its Subsidiaries).

Historical cost convention

The Financial Information has been prepared under the historical cost convention, as modified by the revaluation of certain assets as identified in specific accounting policies below. The preparation of financial information in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies.

(b) Foreign currency translation

Functional and presentation currency

Items included in the financial information are measured using the currency of the primary economic environment in which it operates the (**Functional Currency**). The financial information is presented in New Zealand dollars, which is the Company’s Functional Currency and the 9 Spokes Group’s presentation currency.

Transactions and balances

Foreign currency transactions are translated into the Functional Currency of the 9 Spokes Group using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statutory Historical Income Statements.

9 Spokes Group

The results and financial position of all the 9 Spokes Group entities (none of which has the currency of a hyper-inflationary economy) that have a Functional Currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- (ii) income and expenses for each Statutory Historical Income Statement, are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
 - (iii) all resulting exchange differences are recognised in other comprehensive income.
- (iii) there is an ability to use or sell the software product;
 - (iv) it can be demonstrated how the software product will generate probable future economic benefits;
 - (v) adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
 - (vi) the expenditure attributable to the software product during its development can be reliably measured.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services rendered, excluding sales taxes, rebates and discounts. The 9 Spokes Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the 9 Spokes Group; and when specific criteria have been met for each of the 9 Spokes Group's activities, as described below

Sales of services - subscription revenue

Subscription revenue comprises the fees charged to Customers who subscribe to Apps offered by OSPs less any portion of the fee that is payable to the OSP. Revenue is recognised as the services are provided to the Customers. Unbilled revenue at year end is recognised in the Statutory Historical Income Statements as accrued income and included within trade and other receivables.

Sales of services - implementation revenue

Implementation and development fees are received from Channel Partners for the deployment of customised versions of the 9 Spokes Platform. As the 9 Spokes Group maintains ownership of the 9 Spokes Platform, and the 9 Spokes Group has an obligation to provide continuing services to the Channel Partner related to the completed customised 9 Spokes Platform, these fees are recognised as revenue over the expected period that the 9 Spokes Group will provide the services. Implementation and development fees received prior to the commencement of the continuing services are treated as deferred revenue.

Sales of services - licensing revenue

Licensing revenue from the right to access the 9 Spokes Platform is recognised on a straight-line basis over the expected license period.

(d) Research and development

Research expenditure is recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of an identifiable product are recognised as intangible assets if they meet the recognition criteria:

- (i) it is technically feasible to complete the software product so that it will be available for use;
- (ii) management intends to complete the software product and use or sell it;

The expenditure capitalised includes direct labour, external contractors and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Development costs recognised as assets are amortised over their estimated useful lives.

(e) Equity settled share based compensation

The Company operates equity settled, share based incentive plans, under which the Company may issue Options to employees, Directors and contractors as consideration as an incentive to remain with the Company. The fair value of the Options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the Options granted.

The fair value is measured at grant date and spread over the vesting period.

At the end of each reporting period, the Company revises its estimates of the number of Options that are expected to vest. Revisions to original estimates, if any, are recognised in the Statutory Historical Income Statements, with a corresponding adjustment to equity.

The fair value of the Options granted is measured using the Black-Scholes valuation model, taking into account the terms and conditions upon which the Options are granted. When Options are exercised, the Company issues new Shares and the amount in the Options reserve relating to those Options, together with the exercise price paid by the employee, is transferred to share capital.

(f) Share based payments

The Company may issue Shares and Options to suppliers and Directors from time to time as part of their compensation or remuneration.

The fair value of the services received in exchange for the issuance of Shares and Options is recognised as an expense over the vesting period, or immediately, if there are no vesting conditions. The total amount to be considered an expense is determined by reference to the fair value of the Options granted:

- (i) including any market performance conditions (for example, an entity's share price);
- (ii) excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- (iii) including the impact of any non-vesting conditions (for example, the requirement for employees to save).

When the Options are exercised, the Company issues new Shares. The proceeds received net of any directly attributable transaction costs are credited to share capital.

(g) Income tax

The tax expense for the year comprises current and deferred tax. Current tax and deferred tax is recognised in the Statutory Historical Income Statements, except to the extent that it relates to items recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or subsequently enacted at balance date.

Deferred income tax is recognised on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or subsequently enacted by the balance date and are expected to apply when the related deferred income tax asset or liability is realised or settled.

An exception is made for certain timing differences arising from the initial recognition of an asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred income tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Accumulated tax losses have not been recognised as a deferred tax asset as it is not yet probable that future taxable profit will be available against which the losses can be utilised. Total tax losses as at 31 March 2016 amounted to NZ\$1.26 million. Research and development costs as at 31 March 2016 have been carried forward for tax purposes amounting to NZ\$6.43 million.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments of operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Effective from the FY2016 year the Company can “cash out” tax losses relating to research and development expenditure if various requirements are met. The New Zealand Inland Revenue Department (NZ IRD) provides a tax credit at 28% (the current company tax rate) of the amount of tax losses cashed out. The maximum cashed out tax loss for the FY2016 year is \$500,000, resulting in a tax credit of \$140,000 the Company is able to access. This tax credit is repayable by the Company to the NZ IRD if certain events occur, such as a greater than 90% change in the shareholding in the Company measured from a period commencing on the first day of the relevant income year, or a sale of the relevant intellectual property by the Company. The amount of any tax credit to be repaid to NZ IRD is the balance of the tax credit initially provided by NZ IRD reduced by subsequent income tax payments made by the Company. The

\$140,000 tax credit has been recognised as an income tax credit in the FY2016 Statutory Historical Income Statement on the basis it is probable that NZ IRD will pay this amount to the Company.

(h) Goods and services tax (GST)

The Statutory Historical Income Statements have been prepared so that all components are stated exclusive of GST. All items in the Pro Forma Historical Balance Sheet are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

(i) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the 9 Spokes Group in the management of its short-term commitments.

(k) Property, plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

For plant and equipment, depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a diminishing value basis over the estimated useful lives of each component of an item of property, plant and equipment.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

| | |
|-----------------------|------------|
| Plant and equipment | 3-5 years |
| Fixtures and fittings | 5-10 years |

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Contract work-in-progress

Identifiable costs incurred in fulfilling a contract with a customer are capitalised as an asset and amortised on a systematic basis that is consistent with the provision of the services.

(n) Share capital

Ordinary Shares are classified as equity.

Incremental costs directly attributable to the issue of new Shares are shown in equity as a deduction, net of tax, from the proceeds.

(o) Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

The liability for employee entitlements is carried at the present value of the estimated future cash flows.

(p) Dividends

The payment of a dividend, if any, by the Company is at the discretion of the Directors and will be a function of a number of factors, including the operating results and financial condition of the Company, future funding requirements, any contractual, legal or regulatory restrictions on the payment of dividends by the Company, and any other factors the Directors may consider relevant. The Company does not anticipate paying any dividends in the foreseeable future.

(q) Subsidiaries

The Company holds all the issued share capital in 9 Spokes Nominee No 1 Limited and 9 Spokes Trustee Limited which have not transacted. As there are no transactions within these entities, they have not been consolidated.

7.8 SOURCES AND USE OF PROCEEDS

In conjunction with the Offer, the Company will issue new equity of A\$15 million under the Minimum Subscription scenario and A\$25 million under the Maximum Subscription scenario. Proceeds from the Offer will be used to enable the 9 Spokes Group to fund the following areas:

7.8.1 Software/Technical Development

The Company will continue to build on the complex, technical feature capabilities of the core 9 Spokes System. The intended approach is to build these capabilities in-house through the employment of technical staff, including technical architects, database experts, business analysts and developers to enable the Company to follow its growth-orientated feature requirements. This will allow the Company to maintain internal control over its growing intellectual property portfolio. Separate projects will involve the development of the customised instances of the 9 Spokes Platform to meet specific Channel Partner and industry requirements.

7.8.2 Infrastructure Development

The Company will create secure database infrastructures to meet rigorous data sovereignty control and governance requirements. Additional staff will be hired to support this development, but this development may also require the engagement of third party specialists.

7.8.3 Product Development

The Company will create additional intellectual property by designing and developing key functional features of the 9 Spokes System. The precise details of these features remain commercially sensitive. However, additional Dashboard features and Customer and Channel Partner "journeys" will be further developed.

7.8.4 Business Development

The Company will expand the community of BSPs in new territories in order to establish the 9 Spokes Platform "ecosystem". This may involve engaging with OSPs and BSPs in the United Kingdom/Europe, Asia and North America.

7.8.5 Market Development

The Company will invest in market research and establish "beachhead teams" in new territories to investigate business and Channel Partner opportunities.

7.8.6 Scale Back Items

The scale and acceleration of these areas of development will be determined by the level of funds received from the Offer. If cash proceeds under the Minimum Subscription are raised, the Company would principally slow the rate of its staff acquisition. In that event, the Company would still be able to meet its Channel Partner commitments but the rate of development and deployment would be slowed. In particular, the following items would be scaled back in the event the Minimum Subscription is raised:

- base software development will be developed as contracted. However, team scaling beyond base requirements will be deferred until new customer or Channel Partner opportunities are contracted;
- infrastructure development will continue to meet contractual obligations and will only be scaled with new customers and Channel Partners. Team numbers will be controlled and less reliance will be placed on third party specialists;
- elements of the 9 Spokes System development roadmap will be deferred;
- business development will focus resources in only the current markets: United Kingdom, Australia and New Zealand; and

- new market development will be restricted to the usual work of senior executives rather than the establishment of “beachhead teams”. Accordingly, no funds will be allocated to this specific area.

| | Minimum Subscription | Maximum Subscription |
|--|----------------------|----------------------|
| | A\$'000 | A\$'000 |
| SOURCE OF FUNDS | | |
| Cash proceeds received for New Shares issued under the Offer | 15,000 | 25,000 |
| Total sources | 15,000 | 25,000 |
| USE OF FUNDS | | |
| Payment of Offer expenses | 1,798 | 2,511 |
| Software/technical development | 5,688 | 8,139 |
| Infrastructure development | 2,946 | 3,857 |
| Product development | 1,075 | 1,467 |
| Business development | 884 | 1,307 |
| Market development | - | 417 |
| Working capital | 2,609 | 7,302 |
| Total uses | 15,000 | 25,000 |

Figure: 15 Source and Use of Funds

7.9 CAPITAL EXPENDITURE

The Company expects to incur less than NZ\$700,000 capital expenditure over the next 12 months in operating the business, including leasehold improvements on new premises.

7.10 FOREIGN CURRENCY

The Company prepares its financial information in New Zealand dollars as its reporting currency. To facilitate comparison of financial information, key Offer statistics (including gross proceeds from the Offer and indicative market capitalisation at the Offer Price) have been presented in Australian dollars with an exchange rate of A\$1.00 to NZ\$1.10. This is an approximation for presentation purposes and there is no guarantee that such an exchange rate will reflect the actual exchange rate at any particular time.





**INVESTIGATING
ACCOUNTANT'S
REPORT**

08

08

INVESTIGATING ACCOUNTANT'S REPORT



The Directors
9 Spokes International Limited
Level 3, 32 Market Place, Viaduct Harbour
Auckland 1010, New Zealand

17 May 2016

Dear Directors

Investigating Accountant's Report

Independent Limited Assurance Report on 9 Spokes International Limited historical and pro forma historical financial information and Financial Services Guide

We have been engaged by 9 Spokes International Limited (the Company) to report on the historical financial information and pro forma historical financial information of the Company for the years ended 31 March 2014 through to 31 March 2016 for inclusion in the replacement prospectus (the Prospectus) dated on or about 17 May 2016 and relating to the issue of ordinary shares in the Company (the Offer).

Expressions and terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian financial services licence under the Corporations Act 2001. PricewaterhouseCoopers Securities Ltd, which is wholly owned by PricewaterhouseCoopers holds the appropriate Australian financial services licence under the Corporations Act 2001. This report is both an Investigating Accountant's Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Scope

Historical Financial Information

You have requested PricewaterhouseCoopers Securities Ltd to review the following historical financial information of the Company (the responsible party) included in the Prospectus:

- Consolidated Income Statements for the years ended 31 March 2014, 31 March 2015, and 31 March 2016;
- Consolidated Balance Sheet as at 31 March 2016;
- Consolidated Cash Flow Statements for the years ended 31 March 2014, 31 March 2015, and 31 March 2016;

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in International Financial Reporting Standards and the Company's adopted accounting policies. The historical financial information has been extracted from the financial reports of the Company for the years ended 31

PricewaterhouseCoopers Securities Ltd, ACN 003 311 617, ABN 54 003 311 617, Holder of Australian Financial Services Licence No 244572

*Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au*



March 2014, 31 March 2015 and 31 March 2016 which were audited by PricewaterhouseCoopers New Zealand in accordance with the New Zealand Auditing Standards. PricewaterhouseCoopers New Zealand issued a modified audit report for each of these financial statements which without qualification referred to a material uncertainty in relation to the Company's ability to continue as a going concern which is dependent on its ability to raise additional capital. The historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Pro Forma historical financial information

You have requested PricewaterhouseCoopers Securities Ltd to review the following pro forma historical financial information of the Company included in the Prospectus:

- the pro forma Consolidated Balance Sheet as at 31 March 2016 assuming proceeds of A\$15m are raised from the Offer
- the pro forma Consolidated Balance Sheet as at 31 March 2016 assuming proceeds of A\$25m are raised from the Offer;

The pro forma historical financial information has been derived from the historical financial information of the Company, after adjusting for the effects of pro forma adjustments described in section 7.4 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in International Financial Reporting Standards and the Company's adopted accounting policies applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 7.4 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the Company's actual or prospective financial position.

Directors' responsibility

The directors of the Company are responsible for the preparation of the historical financial information and pro forma historical financial information, including its basis of preparation and the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.



A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information of the Company, as described in section 7 of the Prospectus, and comprising:

- Consolidated Income Statements for the years ended 31 March 2014, 31 March 2015, and 31 March 2016;
- Consolidated Balance Sheet as at 31 March 2016;
- Consolidated Cash Flow Statements for the years ended 31 March 2014, 31 March 2015, and 31 March 2016;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 7 of the Prospectus being the recognition and measurement principles contained in International Financial Reporting Standards and the Company's adopted accounting policies.

Pro Forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information of the Company as described in section 7.4 of the Prospectus, and comprising:

- Consolidated Balance Sheet as at 31 March 2016 assuming proceeds of A\$15m are raised from the Offer
- Consolidated Balance Sheet as at 31 March 2016 assuming proceeds of A\$25 are raised from the Offer;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 7 of the Prospectus being the recognition and measurement principles contained in International Financial Reporting Standards and the Company's adopted accounting policies applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 7 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information.



Notice to investors outside Australia and New Zealand

Under the terms of our engagement this report has been prepared solely to comply with Australian Auditing Standards applicable to review engagements.

This report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. We do not hold any financial services licence or other licence outside Australia. We are not recommending or making any representation as to suitability of any investment to any person.

Restriction on Use

Without modifying our conclusions, we draw attention to section 7 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

PricewaterhouseCoopers Securities Ltd has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included.

Liability

The liability of PricewaterhouseCoopers Securities Ltd is limited to the inclusion of this report in the Prospectus. PricewaterhouseCoopers Securities Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Prospectus.

Independence or Disclosure of Interest

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of this transaction other than the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

Financial Services Guide

We have included our Financial Services Guide as Appendix A to our report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Emphasis of matter

Without modifying our conclusions, we draw attention to the basis of preparation in Section 7.7(a) of the Prospectus which discloses that the Company has incurred losses during the financial years ended 31 March 2014, 31 March 2015 and 31 March 2016. Section 7.7(a) also explains that the Company will be unable to fund its operations based on its current cash position without additional capital or an increase in revenue. If the Company is unable to raise additional capital or increase revenue, then this indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Brian Mullock', written in a cursive style.

Brian Mullock
Authorised Representative of
PricewaterhouseCoopers Securities Ltd



Appendix A – Financial Services Guide

PRICEWATERHOUSECOOPERS SECURITIES LTD FINANCIAL SERVICES GUIDE

This Financial Services Guide is dated 17 May 2016

1. About us

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) ("**PwC Securities**") has been engaged by 9 Spokes International Limited ("**9 Spokes**") to provide a report in the form of an *Independent Accountant's Report* in relation to the *Financial Information* (the "**Report**") for inclusion in the *replacement prospectus dated 17 May 2016*.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2. This Financial Services Guide

This Financial Services Guide ("**FSG**") is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3. Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

4. General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

5. Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees are charged on a fixed basis and are A\$100,000, excluding disbursements and GST.

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

6. Associations with issuers of financial products

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business. PricewaterhouseCoopers is the auditor of 9 Spokes International Limited.

7. Complaints

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Ombudsman Service ("**FOS**"), an external complaints resolution service. FOS can be



contacted by calling 1300 780 808. You will not be charged for using the FOS service.

8. Contact Details

PwC Securities can be contacted by sending a letter to the following address:

Brian Mullock
Authorised Representative of
PricewaterhouseCoopers Securities Ltd
Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000
GPO BOX 2650
Sydney NSW1171



**BOARD AND
GOVERNANCE**

09

09

BOARD AND GOVERNANCE

9.1 BOARD OF DIRECTORS



PAUL REYNOLDS,
Non-Executive Chairman

Background:

Paul joined the Board in October 2014, bringing experience gained from 30 years leading telecommunications and technology businesses around the world. Paul is the Chairman of the Company.

Paul served as Chief Executive Officer at BT Wholesale in the United Kingdom between April 2000 and September 2007 prior to moving to New Zealand to take on the role as a director and Chief Executive Officer of Telecom New Zealand between 2007 and 2012.

Paul has extensive governance experience, serving as Chairman of AAPT Limited until 2012, and having held directorships at BT (UK), eAccess (Tokyo) and xConnect Global Networks (London).

Taking a special interest in the Company's European interests, Paul has supported the business in advising on contracts in the UK and investor relations. Paul chairs the Remuneration and Nomination Committee and serves on the Audit and Risk Committee.

Qualifications:

University of Strathclyde
BA, First Class Honours
1974 – 1978

University of London
PhD
Awarded 1985

Memberships:

Fellow of the Institute of Telecoms Professionals

Awards:

Global Icon Award,
Telecommunications Industry
Association of American (2006)



WENDY WEBB,

Non-Executive and Independent Director

Background:

Wendy joined the Board in March 2015 and provides a beachhead into the US marketplace.

Wendy is Chief Executive Officer of Kestrel Corporate Advisors. From 2010 to 2013, she was managing director for Tennenbaum Capital Partners, LLC. Wendy served on the executive team at Ticketmaster Entertainment Inc. from 2008 to 2010. At The Walt Disney Company, from 1988 to 2008, Wendy held a number of roles, including Corporate Senior Vice President.

An experienced board member, Wendy is a non-executive director of ABM and TiVo Inc. Previous board experience includes non-executive director roles at Jack in the Box Inc. and PetSmart Charities, Inc.

Wendy has taken special interest in investor relations, governance, and the Company's financial matters during her time on the Board. She chairs the Audit and Risk Committee and serves on the Remuneration and Nomination Committee.

Qualifications:

Harvard University
Graduate School of Business
Master of Business Administration

Smith College, Northampton, MA
Bachelor of Arts, with Honors

Memberships:

National Association of Corporate Directors

NACD Board Leadership Fellow

HBS Women's Roundtable - LA



THOMAS POWER,

Non-Executive Director

Background:

Thomas joined the Board in October 2014. As an entrepreneur, business advisor and professional speaker on technical and Internet technologies, Thomas provides a social media and marketing focus at Board level.

Thomas founded Ecademy, one of the world's first social business network in 1998, and is now working closely with executives at Microsoft, Accenture, CSC-WF and Servest, helping them roll out their social media initiatives.

Thomas has served as an advisor to numerous senior executives and served as non-executive director on several boards including QXL Ricardo PLC, Ecademy and Digital Entrepreneur, The Business Café, Digital Youth Academy and Savortex.

Thomas serves on the Audit and Risk Committee and the Remuneration and Nomination Committee.



MARK ESTALL,

Executive Director and Chief Executive Officer

Background:

As one of the Company's founders, Mark has been primarily responsible for business development and has been instrumental in selling the Company's vision to investors and Channel Partners.

Following early career roles at companies such as IBM, Watties, and Progressive Enterprises, in late 1989, Mark undertook a number of entrepreneurial roles with a focus on start-up, rapid growth and strategic exit opportunities.

Companies such as South Pacific Software, Profile Clothing, Traffic NZ, The Factory, and Greyson Advisory are amongst the numerous businesses in which Mark has held both executive and non-executive leadership roles.

Mark has been an active angel investor and mentor to small businesses, helping business owners establish and grow their companies.

9.2 EXECUTIVE MANAGEMENT TEAM



NEIL HOPKINS,
Chief Financial Officer

Background:

Neil joined the Company in January 2013 as Chief Financial Officer, responsible for overall financial management and corporate governance.

Neil is a qualified chartered accountant with corporate experience at PricewaterhouseCoopers between August 1987 and January 1992, Sony Music between January 1992 and January 2006 and Endace between January 2006 and February 2011. These positions give Neil experience in working with boards of publically listed companies. Neil has also been a trustee on Play it Strange, a New Zealand non-profit organisation focused on youth music.

Qualifications:

Kingston University
BA (Hons) Business Studies,
Accounting & Finance
1979 – 1983

Memberships:

Member of the Institute of Chartered Accountants in England & Wales,

Provisional member of Chartered Accountants Australia & New Zealand



BRENDAN ROBERTS,
Chief Marketing Officer

Background:

Brendan joined the Company in March 2012 and has been at the heart of its development. Brendan has conducted significant research and network development. Brendan is accountable for all customer-facing aspects of the Company.

Brendan brings to his role extensive international experience at technology and telecommunication business including management roles at The Carphone Warehouse in the United Kingdom between July 2000 and April 2008 and Vodafone between April 2008 and March 2012. He has recently joined the Technology Advisory Board of the Livestock Improvement Corporation.



PAUL PSAILA,
Chief Information Officer

Background:

Paul joined the Company in August 2014 as Chief Information Officer, responsible for technology, data and information, and programme delivery.

Paul has worked in the technology sector for 20 years in both the United Kingdom and New Zealand. Paul's experience included founding Confetti Network in May 1999, and working as Chief Technology Officer at businesses such as Control Circle, Carat Media in the United Kingdom and Storm Technology Limited in New Zealand.

As an experienced global technology and programme Director, Paul leads the team responsible for developing the 9 Spokes Platform.

Qualifications:

University of Portsmouth
BEng, Electrical and Mechanical Engineering
1992 – 1995



CHRIS SIMMONS,
Director, Strategy and Culture

Background:

Chris joined the Company in April 2014 to assist the Chief Executive Officer develop a clear strategy for the 9 Spokes Group. Since then, Chris has taken on a number of responsibilities as the business has grown.

After starting in the banking industry, Chris established his own consulting firm in 1993 in New Zealand, specialising in business strategy and change management, and for the past 25 years, has advised businesses ranging from Air New Zealand to Warehouse Stationary. Chris has developed and sold two technology-based businesses, Blink Interactive and Site-Creata.

Chris has held a number of board positions in small businesses, non-profits and political organisations. He is a certified facilitator for both the Young Presidents Organization and Entrepreneurs' Organization.

Qualifications:

University of Waikato
Bachelor of Management Studies
1981 – 1984



ADRIAN GRANT,
*Founder,
Strategic / Business Development*

Background:

As one of the Company's founders, Adrian has been instrumental in the strategic development of the Company.

Adrian's previous corporate experience includes roles as an Account Manager at Microsoft UK between 2004 and 2006 and as a director and General Manager at Unisys between 1997 and 2004 in both the United Kingdom and New Zealand, both of which laid the foundations for Adrian's move into the technology sector as an entrepreneur.

Adrian is currently Chief Executive Officer of New Zealand company, Umbrellar Limited.

Qualifications:

Massey University
Bachelor of Business Studies
(Accounting and Finance)
1983 - 1986

New Zealand Stock Exchange
Diploma
1998

9.3 INTERESTS AND BENEFITS

9.3.1 Director's interests and remuneration

(a) Director's remuneration

The Constitution of the Company authorises the maximum aggregate amount to be paid to the Directors (excluding remuneration paid to Executive Directors) at A\$500,000 per annum. Any change to that aggregate annual amount needs to be approved by Shareholders.

The remuneration of executive Directors will be fixed by the Directors and may be paid by way of salary, commission or participation in profits or all or any of these modes but may not be by commission on, or a percentage of, operating revenue.

The annual remuneration (exclusive of superannuation, Options and any service fees payable pursuant to the service contracts referred to in Section 13.2 below) payable to each of the Directors following admission to the Official List of the ASX is as follows.

| Director | Position | Annual Remuneration (NZ\$) ⁴ |
|---------------|--|---|
| Paul Reynolds | Non-Executive Chairman | \$155,000 ¹ |
| Mark Estall | Executive Director – Chief Executive Officer | \$240,000 |
| Wendy Webb | Independent Non-Executive Director | \$95,000 ² |
| Thomas Power | Non-Executive Director | \$80,000 ³ |

Figure 16: Director's Remuneration

1. This is inclusive of Paul Reynold's entitlement to receive NZ\$15,000 per annum for his role as Chair of the Remuneration and Nomination Committee, and NZ\$10,000 per annum for his role as a member of the Audit and Risk Committee.
2. This is inclusive of Wendy Webb's entitlement to receive NZ\$25,000 per annum for her role as Chair of the Audit and Risk Committee, and NZ\$10,000 for her role as a member of the Remuneration and Nomination Committee. In addition to the amount of NZ\$25,000 per annum for her role as chair of the Audit and Risk Committee Wendy Web is also entitled to be remunerated for any additional work she may undertake and which relates directly to that role at the rate of NZ\$3,000 per day, for those days worked in excess of 2 days per quarter.
3. This is inclusive of Thomas Power's entitlement to receive NZ\$10,000 per annum for his role as a member of the Remuneration and Nomination Committee, and NZ\$10,000 per annum for his role as a member of the Audit and Risk Committee.
4. Refer to Section 13.2 for details of service contracts the Company has with its Directors, or in the case of Adrian Grant, a former Director. Amounts payable pursuant to those service contracts are not included in the amounts referred to in the figure above.

In addition to their annual remuneration, the Directors may also be reimbursed for expenses properly incurred by the Directors in connection with the affairs of the Company including travel and other expenses.

The Directors may also be entitled to receive Options from time to time pursuant to the Current ESOP. In this regard, see Section 12.8.2.

Each of the Directors also has a service contract with the Company pursuant to which that Director may from time to time provide additional services to the Company not necessarily connected to their role as Director. Refer to Section 13.2 for details.

(b) Effect of Cessation of Office

The Company does not pay any special fees or otherwise make any provision for Directors upon their retirement from the Board.

(c) Payment of Superannuation contributions

The Company shall pay the Director's superannuation contributions of an amount necessary to meet the minimum level of superannuation contributions required under any applicable legislation to avoid any penalty, charge, tax or impost.

(d) Financial Benefit

A Director must ensure that the requirements of the Companies Act are complied with in relation to any financial benefit given by the 9 Spokes Group to the Director or to any other associate of the Director.

(e) Board Functions

The Board is responsible for directing and monitoring the business and affairs of the 9 Spokes Group, including compliance with the 9 Spokes Group's corporate governance policies and procedures. The functions of the Board include:

- ensuring compliance with statutory, regulatory and reporting requirements imposed upon the 9 Spokes Group and its officers;
- overseeing the financial standing, operating results and business risks of the 9 Spokes Group; and
- reviewing the performance of officers, including the Chief Executive Officer.

(f) Conflicts of Interest

Directors are generally required to disclose to the Board any contract in which they have an interest.

(g) Director's interests in Shares and other securities

As at the date of this Prospectus the interest of the Directors and, in the case of Adrian Grant, a former Director (including companies and trusts associated with them) in the securities issued by the Company is as follows:

Percentage interest of the total issued Shares immediately after the Offer

| Name | Interest in Shares before the Offer (number, and percentage of the total issued Shares) | | Interest in Shares immediately after the Offer | Minimum Subscription | Maximum Subscription |
|--|---|---------------|--|----------------------|----------------------|
| Paul Reynolds ² | 4,423,625 | 1.59% | 4,423,625 | 1.25% | 1.10% |
| Adrian Grant ^{3, 8} | 51,370,015 | 18.48% | 51,370,015 | 14.55% | 12.75% |
| Mark Estall ^{4, 8} | 51,444,727 | 18.51% | 51,444,727 | 14.58% | 12.77% |
| Adrian Grant and Mark Estall ^{5, 8} | 30,620,271 | 11.02% | 30,620,271 | 8.68% | 7.60% |
| Wendy Webb ⁶ | 1,006,673 | 0.36% | 1,006,673 | 0.29% | 0.25% |
| Thomas Power ⁷ | 1,843,784 | 0.66% | 1,843,784 | 0.52% | 0.46% |
| TOTAL | 140,709,095 | 50.62% | 140,709,095 | 39.87% | 34.93% |

Figure 17: Director's and former Director's Interests¹

- Directors are not required under the Constitution of the Company to hold any Shares in the Company. As at the date of this Prospectus, Directors (or in the case of Adrian Grant, a former Director) hold Shares in the Company as described above either directly or indirectly. No Directors currently hold any Options.
- 2,555,625 of the Shares held by Paul Reynolds will likely be subject to a compulsory 24 month escrow period. See Section 11 for further details on the escrow arrangements.
- Adrian Grant is a former Director, having resigned from that position within 6 months of the date of this Prospectus. 51,369,611 of the Shares held by Adrian Grant (personally and through being a beneficiary under a trust) will likely be subject to a compulsory 24 month escrow period. See Section 11 for further details on the escrow arrangements.
- 51,444,323 of the Shares held by Mark Estall (through a company he controls) will likely be subject to a compulsory 24 month escrow period. See Section 11 for further details on the escrow arrangements.
- Adrian Grant and Mark Estall are directors and equal shareholders of a company, Franc Holdings Limited, that holds 30,620,271 Shares in the Company, and as at the date of this Prospectus, those Shares are expected to be the subject of a compulsory 24 month escrow period.
- 1,006,673 of the Shares held by Wendy Webb (through a company she controls) will likely be subject to a compulsory 24 month escrow period. See Section 11 for further details on the escrow arrangements.
- 1,843,784 of the Shares held by Thomas Power (personally and through a company he controls) will likely be subject to a compulsory 24 month escrow period. See Section 11 for further details on the escrow arrangements.
- Adrian Grant will have an aggregated interest in 81,990,286 Shares following the addition of his interest in the Shares held by Franc Holdings Limited, which represents an interest in 23.23% of total issued Shares immediately after the Offer in a Minimum Subscription scenario and 20.35% in a Maximum Subscription scenario. Mark Estall will hold an aggregated interest in 82,064,998 Shares following the addition of his interest in the Shares held by Franc Holdings Limited, which represents an interest in 23.25% of total issued Shares immediately after the Offer in a Minimum Subscription scenario and 20.37% in a Maximum Subscription scenario.

9.4 CORPORATE GOVERNANCE

This Section explains how the Board oversees the management of the Company's business. The Board is responsible for the overall corporate governance of the Company, including establishing and monitoring key performance goals. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy including approving the strategic goals of the Company and considering and approving an annual business plan, including a budget. In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The Company is seeking a Listing on the ASX. The ASX Corporate Governance Council has developed and released its Corporate Governance Principles and Recommendations (3rd Edition) (**ASX**

Recommendations) for Australian listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The ASX Recommendations are not prescriptions, but guidelines. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where the Company does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it.

Copies of the Company's key policies and practices and the charters for the Board and each of its committees are available at www.9spokes.com.

9.4.1 Board of Directors

The Board of Directors is comprised of the non-Executive Chair, Executive Directors, one further non-Executive Director and one Independent non-Executive Director. The Board comprises:

- Paul Reynolds, Non-Executive Director and Chair;
- Mark Estall, Executive Director;
- Thomas Power, Non-Executive Director; and
- Wendy Webb, Independent and Non-Executive Director.

Each non-Executive and Independent Director has confirmed to the Company that he or she anticipates being available to perform his or her duties as a Non-Executive Director without constraint from other commitments.

The Board considers an independent Director to be a Non-Executive Director who is not a member of the Company's management and who is free of any business or other relationship that could materially interfere with or reasonably be perceived to interfere with the independent exercise of their judgement. The Board will consider the materiality of any given relationship on a case by case basis and has adopted guidelines to assist in this regard. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time.

The Board Charter has adopted a definition of independence that is based on that set out in the ASX Recommendations. The Board also considers qualitative principles of materiality for the purpose of determining "independence" on a case by case basis. The Board will consider whether there are any factors or considerations which may mean that the Director's interest, business or relationship could, or could be reasonably perceived to, materially interfere with, the Director's ability to act in the best interests of the Company.

Notwithstanding that Wendy Webb has a contract or arrangement with the Company (refer to Section 13), the Board considers that **Wendy Webb** is free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of her judgement and she is able to fulfil the role of Independent, non-Executive Director for the purpose of the ASX Recommendations.

Paul Reynolds is currently considered not to be independent as he has a contract or arrangement with the Company pursuant to which he has provided material services to the Company (refer to Section 13).

Mark Estall is currently considered not to be independent as he holds or controls a substantial shareholding in the Company (refer to Section 9.3) and he also has an employment agreement with the Company (refer to Section 13).

Thomas Power is currently considered not to be independent as he has a contract or arrangement with the Company pursuant to which he has provided material services to the Company (refer to Section 13).

Accordingly, as at Listing, the Board will consist of 75% non-executive Directors. 25% of the Board, but 33% of the non-executive Directors, are considered to be independent Directors for the purposes of the ASX Recommendations.

9.4.2 Board Charter

The Board Charter adopted by the Board sets out the responsibilities of the Board in greater detail. It envisages that the Board should comprise Directors with a range of skills, expertise, experience and diversity which are relevant to the Company's business and the Board's responsibilities. The Board Charter allows the Board to delegate powers and responsibilities to committees established by the Board. The Board retains ultimate accountability to Shareholders in discharging its duties.

9.5 BOARD COMMITTEES

The Board Committee compositions given below are current at the time of this Prospectus. Membership is reviewed annually by the Board.

9.5.1 Audit and Risk Committee

The role of the Audit and Risk Committee is to assist the Board to meet its oversight responsibilities in relation to the Company's financial reporting systems, the systems of internal control and risk management and internal and external audit functions. In fulfilling these rolls, the Audit and Risk Committee is responsible for maintaining free and open communication between the Board, itself, management and auditors.

The Audit and Risk Committee provides advice to the Board and reports on the status and management of the risks to the Company. The purpose of the committee's risk management process is to assist the Board in relation to risk management policies, procedures and systems and ensure that risks are identified, assessed and appropriately managed.

The Board has adopted a policy regarding the services that the Company may obtain from its auditor. It is the policy of the Company that its external auditor:

- (a) must lack any current or past connection or association with the Company or with any member of senior management which could in any way impair, or be seen to carry with it any risk of impairing, the independent external review the external auditor is required to take in relation to the Company;
- (b) benefit from a general reputation for independence and probity and professional standing within the business community; and
- (c) possess knowledge of the industry within which the Company operates.

The Audit and Risk Committee Charter provides that the committee will comprise at least three members. The chair of the committee shall be an Independent Non-Executive Director who does not chair the Board.

The Audit and Risk Committee will meet as often as is required by the Audit and Risk Committee Charter or other policy approved by the Board to govern the operations of the Audit and Risk Committee. The Audit and Risk Committee may seek advice from external advisors and invite the external auditor, any internal auditor, any other non-Executive Director, executive or employee of the Company and any other person to be present at the meetings of the Audit and Risk Committee. The Audit and Risk Committee will regularly report to the Board about committee activities, issues and related recommendations.

The Committee currently comprises Paul Reynolds and Thomas Power, both of whom are Non-Executive Directors, and Wendy Webb as the Independent Chair of the Audit and Risk Committee. The Board acknowledges ASX Recommendation 7.1 that a majority of the members of an Audit and Risk Committee should be independent Directors. Whilst there are 3 Non-Executive Directors on the Audit and Risk Committee, only one of those Directors is

classified as an “independent” Director. The Board believes that the current members of the committee are the most appropriate to achieve its objectives (having regard to their experience and skills) and that each member will bring independent judgement to the Audit and Risk Committee’s deliberations.

9.5.2 Remuneration and Nomination Committee

The role of the Remuneration and Nomination Committee is to review and make recommendations to the Board on remuneration packages and policies related to the Directors and senior executives and to ensure that the remuneration policies and practices are consistent with the Company’s strategic goals and human resources objectives. The Remuneration and Nomination Committee is also responsible for reviewing and making recommendations in relation to the composition and performance of the Board and its committees and ensuring that adequate succession plans are in place (including for the recruitment and appointment of Directors and senior management). Independent advice will be sought where appropriate.

The Remuneration and Nomination Committee will meet as often as is required by the Remuneration and Nomination Committee Charter or other policy approved by the Board to govern the operation of the Remuneration and Nomination Committee. At each meeting, the Remuneration and Nomination Committee will consider whether any significant matters should be brought to the attention of the Board and the Remuneration and Nomination Committee will endeavour to raise these matters in a form and timeframe that assists the Board to discharge their duties effectively.

The committee currently comprises Wendy Webb, Independent Director, Thomas Power, a Non-Executive Director, and Paul Reynolds as a Non-Executive Director and Chair of the Committee. The Board acknowledges ASX Recommendations 2.1 and 8.1 that a majority of the members of Remuneration and Nomination committee should be independent Directors and that the committee should be chaired by an independent Director.

Whilst there are 3 Non-Executive Directors on the Remuneration and Nomination Committee, only one of those Directors is classified as “independent” Director. The Board believes that the current members of the committee are the most appropriate to achieve its objectives (having regard to their experience and skills) and that each member will bring independent judgement to the Remuneration and Nomination Committee’s deliberations.

9.6 CORPORATE GOVERNANCE POLICIES

9.6.1 Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct, which sets out the way the Company conducts business. The Company will carry on business honestly and fairly, acting only in ways that reflect well on the Company in strict compliance with all laws and regulations.

The policy document outlines the Company’s employees’ obligations of compliance with the Code of Conduct, and explains how the code interacts with the Company’s other corporate governance policies.

Responsibilities include using the Company’s resources in an appropriate manner, protecting confidential information and avoiding conflicts of interest.

9.6.2 Securities Trading Policy

The Company has adopted a Securities Trading Policy which will apply to Directors, the Chief Executive Officer and other senior executives reporting to the Chief Executive Officer, including the Chief Financial Officer and other employees nominated by the Chief Executive Officer are considered to have access to insider information because their duties (**Key Management Personnel**) and all full time, part time and casual employees and contractors (together with the Key Management Personnel, **Company Personnel**).

The Securities Trading Policy is intended to explain the types of conduct in relation to dealings in Shares that are prohibited under the Corporations Act and establish procedures in relation to Company Personnel dealing in the Shares.

Subject to certain exceptions, including severe financial hardship, the Securities Trading Policy defines certain “closed periods” during which trading in Shares by Company Personnel is prohibited. Those closed periods are currently defined as any of the following periods:

- Between 1 October and one business day after the announcement by the Company of its half year results;
- Between 1 April and one business day after the announcement by the Company of its annual results; and
- Such other periods advised by the Board or the Chief Executive Officer (such as prior to the announcement to ASX of a significant matter or event).

In all instances, buying or selling Shares is not permitted at any time by any person who possesses price-sensitive information in a manner contrary to the Corporations Act.

9.6.3 Shareholder Communications Policy

The Board’s aim is to ensure that Shareholders are provided with sufficient information to assess the performance of the Company and that they are informed of all major developments affecting the state of affairs of the Company relevant to Shareholders in accordance with all applicable laws. Information will be communicated to Shareholders through the lodgement of all other information with the ASX required by the Company’s continuous disclosure obligations and publishing information on the Company’s website. In particular, the Company’s website will contain information about it, including media releases, key policies and the terms of reference of its Board committees. All announcements made to the market and any other relevant information will be posted on the Company’s website at www.9spokes.com as soon as they have been released to the ASX.

9.6.4 Continuous Disclosure Policy

Once listed, the Company will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. The Company will be required to disclose to the ASX any information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The Board aims to ensure that Shareholders and stakeholders are informed of all major developments affecting the Company's state of affairs. As such, the Company has adopted a continuous Disclosure Policy and Shareholder Communication Policy, which together establish procedures to ensure that Directors and Key Personnel are aware of, and fulfil their obligations in relation to, providing timely, full and accurate disclosure of material information to the Company's stakeholders and comply with the Company's disclosure obligations under the Corporations Act and Listing Rules. The Disclosure Policy also sets out procedures for communicating with Shareholders, the media and the market.

The Company is committed to observing its disclosure obligations under the ASX Listing Rules and Corporations Act. Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with the ASX and continuous disclosure announcements will be made available on the Company's website at www.9spokes.com.

9.6.5 Risk Management Policy

The identification and proper management of the Company's risks are an important priority of the Board. The Company has adopted a risk management policy appropriate for its business (which is reflected in the Audit and Risk Committee's Charter). This policy highlights the risks relevant to the Company's operations and the Company's commitment to designing and implementing systems and methods appropriate to minimise and control its risks. The Board is responsible for overseeing and approving risk management strategy and policies. The Board has delegated to the Audit and Risk Committee responsibility for identifying major risk areas and monitoring risk management to provide assurance that major business risks are identified, consistently assessed and appropriately addressed. The Company will regularly undertake reviews of its risk management procedures to ensure that it complies with its legal obligations.

9.7 ASX RECOMMENDATION DEPARTURES

The Board has evaluated the Company's current corporate governance policies and practice in light of the ASX Recommendations. The Company currently has the following departures from the ASX Recommendations to report:

- The Company has a non-independent Chairman. This is a departure from Recommendation 2.5 of the ASX Recommendations. Paul Reynolds has extensive experience in all of the operations of the Company and has served on the boards

of large telecommunications companies. For these reasons, the Board has decided to appoint Paul Reynolds to guide the Company as its non-independent Chairman;

- The Audit and Risk Committee does not have a majority of independent Directors. This is a departure from Recommendation 7.1 of the ASX Recommendations. The Board believes that the current members of this committee are the most appropriate to achieve its objectives and will bring an independent judgement to the committee's deliberations;
- The Remuneration and Nomination Committee does not have a majority of independent Directors and is not chaired by an independent Director. This is a departure from Recommendations 2.1 and 8.1 of the ASX Recommendations. The Board believes that the current members of this committee are the most appropriate to achieve its objectives and will bring an independent judgement to the committee's deliberations; and
- The Company does not currently have a diversity policy. This is a departure from Recommendation 1.5 of the ASX Recommendations. A diversity policy has not yet been prepared, the Company having only been incorporated since 2011. However, the Company intends to establish a diversity policy with measurable objectives set for achieving gender diversity targets in the future.

9.8 INCORPORATION BY REFERENCE

A copy of the charters, codes and corporate governance policies detailed above are available on the Company's website at www.9spokes.com/ investors. The Company will also send you a free paper copy of its charters and policies should you request a copy during the Offer Period.



10

**INVESTMENT
RISKS**



10

INVESTMENT RISKS

10.1 INTRODUCTION

Due to the nature of the 9 Spokes Group's products and services and the 9 Spokes Group embarking on the development and expansion phase of its existing business, the Directors believe that an investment in the Shares remains speculative at this stage.

You should carefully consider the risks involved in acquiring the Shares, including those risks described below and all of the other information set out in this Prospectus before deciding to invest in the Shares. If any of the events or developments described below occurs, the Company's business, financial condition or results of operations could be negatively affected. In that case, the market price of the Shares could decline, and you could lose all or part of your investment. You should note that on quotation of the Shares on the Official List, the market price may differ significantly to the Offer Price paid for the Shares. As with any equity investment, substantial fluctuations in the value of that investment may and often do occur.

This Section 10, which is not exhaustive of all risks, identifies the risks that the Directors regard as the major risks associated with the Company's business and the industry in which it operates and the risks associated with an investment in the Shares. You should read the entire Prospectus (with particular emphasis on this Section) in order to fully appreciate the risks of an investment in the Shares and the manner in which the Company intends to operate (in an effort to minimise the impact of those risks) before any decision is made to subscribe for the Shares.

The Directors are of the opinion that the funds being sought will enable the Company to embark on the development and expansion phase of the Company's activity. However, if you are considering an investment in the Company, you are also strongly advised to consider whether the Shares are a suitable investment having regard to your personal investment objectives and financial circumstances (and the risk factors set out in this Section 10). If you are in any doubt about the suitability of an investment in the Company, you should consult with your financial advisor, stockbroker, lawyer, accountant or other professional advisor before deciding whether to apply for the Shares.

10.2 COMPANY SPECIFIC RISKS

Risks specific to the Company's business and the industry in which it operates:

| TYPE OF RISK | DESCRIPTION OF RISK |
|---|--|
| Relationship with Channel Partners | <p>The Company has contracts with its Channel Partners, including the Barclays Agreement and the Suncorp Agreement, each of which is described in Section 12. Barclays and Suncorp have a right to terminate their respective agreements with the Company for convenience. If a Channel Partner terminates its agreement for cause as opposed to convenience, it may acquire a right (generally under a separate escrow agreement) to access the source code of the 9 Spokes System. The scope of the Channel Partner's license to use the source code varies from Channel Partner to Channel Partner. The Company has risk management processes which include contract monitoring and management to mitigate the risk of breaching its contracts. However, a breach of a Channel Partner contract resulting in the right to access the source code by a Channel Partner may, in some circumstances, permit the Channel Partner to develop products and services using that source code independently of the 9 Spokes Group, which may have a material adverse impact on the Company's financial performance and/or position.</p> <p>Some agreements with Channel Partners also impose exclusivity requirements on the 9 Spokes Group. Accordingly, the 9 Spokes Group may be prohibited from licensing the 9 Spokes Platform to the extent that it would infringe such exclusivity. The violation of such exclusivity clauses may have a material adverse impact on the Company's financial performance and/or position.</p> <p>For further information regarding the agreements the Company has with its Channel Partners, see Section 12.</p> |
| Relationship with OSPs | <p>The 9 Spokes Group has commercial agreements with Billing OSPs, pursuant to which Billing OSP Apps may be made available for purchase on, and subscription fees collected from Customers using, the 9 Spokes Platform. These agreements can generally be terminated for convenience by either party.</p> <p>The 9 Spokes Group relies on the availability of App Data from OSPs for the proper operation of aspects of the 9 Spokes Platform. Where the 9 Spokes Group extracts App Data, terms and conditions of such extraction may be specified by the relevant OSP, and may include unilateral rights in favour of the OSP (eg, variation and termination rights). OSPs are generally not contractually obliged to facilitate the extraction of App Data, and accordingly the availability of certain Apps on the 9 Spokes Platform could cease without notice to the 9 Spokes Group.</p> |
| Funding | <p>The growth of the Company relies on the development of new markets, new locations, customer uptake of its products and services, and ongoing development and maintenance of existing infrastructure and software platform. The ability of the Company to effectively implement and expand its business plan over time is likely to depend, in part, on its ability to raise additional funds as required. It is currently anticipated that under either the Maximum Subscription scenario or the Minimum Subscription scenario a further injection of funds will be required within 15 months of Listing. It is not possible to determine the scale of funds required as at the date of this Prospectus. The Directors give no assurances that any equity or debt funding will be available to the Company at that time, or be available on acceptable terms. Failure to obtain funding on favourable terms and in a timely way, may hinder the Company's ability to expand and pursue growth opportunities, which may reduce competitiveness and have an adverse affect on the financial performance, position and growth prospects of the Company.</p> |

| TYPE OF RISK | DESCRIPTION OF RISK |
|--|--|
| Development risk and short operating record | <p>The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in developing and expanding an existing business.</p> <p>While the Directors are of the view that there are plans in place (as disclosed) to ensure these risks are mitigated, these factors may still impact upon investor returns.</p> <p>While the 9 Spokes Group does generate revenue, its costs to date have significantly exceeded its revenues, and the 9 Spokes Group does not anticipate generating a profit within the next 4 to 5 years.</p> <p>The Company was incorporated on 19 September 2011 and is therefore recently established, with a short operational track record. A number of key personnel are only recently appointed. As a result, the Company may take longer than planned to achieve the revenue or profits from its business and the costs of doing so may be higher than budgeted. Failure to achieve operational objectives within the currently proposed timelines or within the currently proposed budget, or at all, may also have an adverse impact on the financial performance and/or position of the Company.</p> |
| Low Customer uptake risk | <p>The 9 Spokes Group expects to generate revenue from App subscription by Customers who use the 9 Spokes Platform, as detailed in Section 6.7.1 of this Prospectus.</p> <p>A lack of Customer demand for Apps made available through the 9 Spokes Platform, low barriers to entry and aggressive competition could have negative implications on the Company's ability to achieve desired rates of return on investment, and have a material adverse effect on the growth prospects and/or financial position of the Company. The Company will seek to mitigate these risks by executing its business plan with efficiency and delivering the strategic vision laid out in Section 7.8 of this Prospectus.</p> |
| Competition | <p>It is possible that other entities in Australia, New Zealand and around the world may be trying to compete with the Company. The wide availability of public cloud infrastructure means there are low barriers to entry for potential competitors to enter into the market being serviced by the 9 Spokes Group. The Company cannot guarantee that a competitor will not reduce the Company's market share or margins through competitive businesses or strategies.</p> |
| Dependence on key personnel | <p>The 9 Spokes Group depends upon the skills and experience of its contractors and employees. As a developer of technology products, the 9 Spokes Group engages contractors and employees with a variety of skills and experience, some of which may be considered niche specialties in which there are limited practitioners available for recruitment. These include technical experts who have specific knowledge about the structure and operation of the 9 Spokes Platform which may not be easily or efficiently transferrable to other employees. The loss of key contractors or staff may have a negative impact on the Company. The loss of key staff to a competitor may amplify this impact.</p> |
| Relationship with suppliers | <p>The Company (either itself or through other members of the 9 Spokes Group) contracts with third parties to provide it with goods and services. The ongoing relationship management with its suppliers is important to the ongoing success of the business of the Company. Failure to maintain such relationships with its suppliers in the future may lead to termination of any of the Company's supply contracts and provide opportunities for competitors to gain a competitive advantage, and may have other adverse effects such as lessening the ability of the Company to service its customers which may have an adverse effect on the Company's earnings and growth prospects. For example, if suppliers to the 9 Spokes Group including, without limitation, those used to host the 9 Spokes Platform or to manage Customer relationships, cease to provide those services or otherwise terminate their arrangements with the 9 Spokes Group, the ability for the Company to provide the 9 Spokes Platform and related services would be adversely effected.</p> |

Interruptions to operations, including infrastructure and technology failure The Company could be exposed to short, medium or long-term interruptions to its operations as it relies on infrastructure and technology to provide its products and services, including a significant reliance on third party infrastructure and services. The Company may be unable to deliver a product or service due to numerous factors including but not limited to:

- Human error;
- Power loss;
- Communications network (including Internet) disruption and performance;
- Information security attacks, such as hacking or denial of service, affecting systems operated by the 9 Spokes Group or its third party infrastructure and service suppliers;
- Improper maintenance by entities not related to the Company;
- Physical or electronic security breaches;
- Natural disaster;
- Water damage;
- War, terrorism and related conflicts or similar events worldwide; and
- Termination, whether for cause or convenience of a key contract relating to its infrastructure or technology.

Right of Barclays to purchase source code Barclays holds a “Source Code Option”. If exercised, Barclays will pay the Company an agreed amount, entitling Barclays from any time after expiry of the initial 3 year term to a conditional perpetual license to use the 9 Spokes System source code for the purpose of operating an instance of the Platform independently of the Company. The Company granted this right as part of the commercial agreement between the parties. There is a risk that, if this right is exercised by Barclays, the Company will lose many or all of the CP Customers of Barclays. While the loss of CP Customers of Barclays is likely to have a material impact on the Company’s revenue in the short to medium term, the agreed amount that Barclays must pay to exercise this right is expected to substantially compensate the Company for the loss of any such CP Customers of Barclays.

Privacy and data protection law and regulation The 9 Spokes Group, through the 9 Spokes Platform, will handle significant quantities of data and information, much of which will be confidential information of Customers, and some of which may be subject to legal protection in relevant jurisdictions.

Legislative and regulatory frameworks relating to the protection of data and personal information may vary significantly between jurisdictions, and compliance costs may be onerous. Consequences for failing to adequately protect data may include punitive fines, and may lead to the Company having significant legal liability to Customers and, in some circumstances, Channel Partners under general law and contract.

Government and legal risk Changes in government, fiscal, monetary, environmental, taxation, and regulatory policies and other laws may also affect the business of the 9 Spokes Group. The market in which the Company provides products and services may become subject to increasing regulation. As the 9 Spokes Group makes the 9 Spokes Platform available in a number of jurisdictions, the 9 Spokes Group may need to ensure compliance with different regulatory regimes. Changes to the regulatory framework could impact on the industry generally and have an adverse impact on the financial position, performance, assets and operations of the Company.

| TYPE OF RISK | DESCRIPTION OF RISK |
|---|---|
| Country risk and foreign operations | <p>The 9 Spokes Group makes the 9 Spokes Platform available in multiple countries, including Australia, New Zealand and the United Kingdom, and intends to expand to other countries in the future. There are risks associated with operating in foreign countries. Country risks include exchange rate risk, economic risk, sovereign risk, political risk and transfer risk.</p> <p>The Company's operating results and financial condition are susceptible to changes in the political, economic and social conditions in the countries in which it operates, including Australia, New Zealand and the United Kingdom. There can be no guarantee that the government regulations in Australia, New Zealand and the United Kingdom, in particular in relation to foreign investment, repatriation of foreign currency, taxation and the regulation of the industry in which the Company operates, will not be amended in future to the detriment of the Company's business. As the Company is incorporated in New Zealand, changes in New Zealand laws may have an adverse effect on non-New Zealand resident holders of securities in the Company.</p> <p>Reporting requirements of the Company in New Zealand may impose more onerous obligations on the Company. Costs of compliance with laws and regulations in Australia and the United Kingdom may also vary from current estimates.</p> |
| Regulatory risk | <p>The Company is subject to a range of regulatory controls imposed by government and regulatory authorities (for example, the NZ Companies Office, ASX and ASIC). The relevant regulatory regimes are complex and are subject to change over time depending on changes in the laws and the policies of the governments and regulatory authorities.</p> <p>The Company is exposed to the risk of changes to the applicable laws and/or the interpretation of existing laws which may have a negative effect on the Company, its investments and/or returns to Shareholders or the risks associated with non-compliance with these laws (including reporting or other legal obligations). Non-compliance may result in financial penalties being levied against the Company.</p> |
| Lease over premises | <p>The Company conducts its business predominantly from premises in Auckland, New Zealand that is subject to a lease which will expire on 30 June 2016 and the Company has given notice to the lessor that it intends to vacate the premises on or before that date. The Company has reached an in-principle agreement to take a lease over new premises prior to 30 June 2016, but that lease will not be executed until after Listing.</p> <p>There is a risk that if the lease over new premises cannot be, or is not, executed before 30 June 2016 for any reason, the Company may have no premises from which to conduct its business.</p> |
| Reliance on Board Members and key management | <p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its Board of Directors, executive management and key management. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these personnel cease their employment or engagement with the Company.</p> <p>While every effort is made to retain key personnel, and to recruit new personnel as the need arises, the loss of one or more key personnel may adversely affect the Company's development plans, earnings or growth prospects.</p> |
| Growth management | <p>The Company's success is dependent upon the successful management and execution of its growth strategy. To manage this growth effectively, the Company will need to maintain efficient control and supervision of its operations and financial systems and continue to expand, train and manage its employees and secure new appropriately skilled employees. Further to this, the Company will need to keep abreast of new and developing technology. There is a risk that the Company may not be able to execute its growth strategies.</p> <p>In particular, the Company's growth strategy depends upon its ability to continue to maintain and grow generic earnings as well as to identify and make suitable acquisitions that are revenue and profit accretive.</p> |

| | |
|------------------------------|--|
| Intellectual property | <p>The 9 Spokes Group uses intellectual property and technology developed in the course of its business that is owned or licensed by members of the 9 Spokes Group. The Company's ability to offer its products and services is dependent on its ability to use particular intellectual property and technology, and any change in the ability to use or protect the intellectual property the Company relies on may have an adverse effect on the Company's future financial performance and position.</p> <p>The Company's ability to leverage its products and services in the marketplace depends on its ability to secure ownership of and protect the intellectual property of the 9 Spokes Group including any improvements to existing intellectual property. The intellectual property may not be capable of being legally protected or the Company may incur substantial costs in asserting or defending its intellectual property rights. The 9 Spokes Group's intellectual property may be lost, stolen or compromised as a result of an unauthorised security breach. The Company actively seeks to protect its intellectual property by contractual protection and patent protection. Specifically, the 9 Spokes Group currently has a PCT Patent application pending.</p> |
| Changes in technology | <p>The success of the 9 Spokes Group depends upon the Company being able to keep up with the latest technological progress and to develop or acquire and integrate new technologies into the 9 Spokes Platform.</p> |
| Insurance risks | <p>The Company seeks to maintain appropriate policies of insurance consistent with those customarily carried by organisations in the cloud services industry. Any increase in the cost of the insurance policies of the Company or the industry in which it operates could adversely affect the Company's business, financial condition and operational results. The Company's insurance coverage may also be inadequate to cover losses it sustains. Uninsured loss or loss in excess of the Company's insured limits could adversely affect the Company's business, financial condition and operational results. The Company may also have contractual obligations from time to time with customers and third party suppliers for the Company to maintain particular types and levels of insurance policies. For example, the Barclays Agreement referred to in Section 12 requires the Company to obtain and maintain commercial liability insurance of up to UK£10,000,000. The failure of the Company to obtain and maintain such insurance from time to time may result in consequences under the relevant agreements, which may include termination, and/or liability for loss in excess of the Company's insured limits which may have a material adverse impact on the Company's financial performance and/or position.</p> |
| Reputation | <p>The success of the Company is dependent on it maintaining a positive reputation. Unforeseen issues or events which place the reputation of the Company at risk may impact on future earnings and growth prospects.</p> |
| Taxation | <p>Changes in tax law, or changes in the way taxation laws are interpreted may impact the tax liabilities of the Company or the tax treatment of a Shareholder's investment. In particular, both the level and basis of taxation may change. In addition, an investment in the Shares involves tax considerations which may differ for each Shareholder. Each prospective Shareholder is encouraged to seek professional tax advice in connection with any investment in the Company.</p> |
| Dividend risk | <p>The Company has not paid any dividend to date and does not intend to pay any in the foreseeable future. Accordingly, there is no certainty that the Company will pay any dividends in the future and is likely to reinvest any profit returned.</p> |

10.3 INVESTMENT RISKS

Specific and general risks associated with an investment in the Company are as follows:

| TYPE OF RISK | DESCRIPTION OF RISK |
|---|--|
| Dilution | <p>The Company anticipates that it will need to raise additional funds through a further capital raising or debt facility at some time within 15 months after the conclusion of capital raising being undertaken as described in this Prospectus. Any such further capital raising is likely to have the effect of diluting the interests of Shareholders.</p> |
| Existing Shareholders retain a significant stake, and dealings of those Existing Shareholders may adversely affect the price of, or market for, Shares | <p>Following Listing, the Existing Shareholders will hold 68.98% of the issued capital of the Company if the Maximum Subscription is reached, and 78.75% of the issued capital of the Company if the Minimum Subscription is reached. This is on the presumption that Existing Shareholders will not invest further in the Company pursuant to the Offer. The Company understands that some Existing Shareholders do intend to make an Application but is currently unaware of which Existing Shareholders may do so and for what amount of Shares. Some or all of those Applications may be successful.</p> <p>The Company estimates that 192,250,371 of the existing Shares, representing 69.2% of the total Shares issued pre-IPO, will be subject to escrow restrictions, for different periods following the Company's Listing on ASX (refer to Section 11.8). The ASX will make the final determination of the mandatory escrow to be applied to Shares and Options. That determination may be different from that set out in this Prospectus. Following the lifting of escrow restrictions, there is no restriction on the sale of any of the Shares released and Shareholders are able to sell those Shares as they deem appropriate. These Shareholders may not be long term holders of the Shares and a sale of a significant number of these Shares by some or all of the Existing Shareholders, or the perception that such sales might occur, could adversely affect the price of Shares.</p> <p>Alternatively, the absence of any sale of Shares by the Existing Shareholders may cause or contribute to a diminution in the liquidity of the market for the Shares.</p> |
| Exchange rate risks | <p>The Company's reporting currency is NZ\$ and much of its income and expenses are in this currency. The Company is currently not hedging against exchange rate fluctuations and consequently the Company may be at the risk of any adverse movements between NZ\$ and A\$ and any other relevant exchange rates.</p> <p>The Shares will be listed on the ASX and priced in A\$. However, the Company's reporting currency is NZ\$ and most of its operational income and expenses are in GBP as at the date of this Prospectus. As a result, movements in foreign exchange rates may cause the price of the Company's securities and the earnings per Share to fluctuate for reasons unrelated to the Company's financial condition or performance and may result in a discrepancy between the Company's actual results of operations and investors' expectations of returns on the Company's securities expressed in A\$.</p> |
| Capital Raising not fully subscribed | <p>The Directors give no assurances that the objectives of the Company outlined in this Prospectus will be met. The capital raising described in this Prospectus is intended to raise sufficient funds to fund expansion and development activities as further described in Sections 7 and 11.3 and to fund working capital needs of the Company for at least the period of 15 months following Listing. In the event the capital raising as described in this Prospectus is not fully subscribed, the Company may scale back its objectives and operations, including marketing and other expenditure.</p> |
| Financial performance | <p>The operating results are difficult to predict and are subject to a number of factors as detailed above. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate.</p> |
| Liquidity and IPO Risk | <p>There is no guarantee that the Shares will trade at a particular price or a particular volume after the Company's Listing on the ASX. There is no guarantee that there will be an ongoing liquid market for Shares. Accordingly there is a risk that, should the market for Shares become illiquid, Shareholders will be unable to realise their investment in the Company.</p> |

Litigation In the ordinary course of its business, the Company may be subject to the risk of litigation and other disputes with its employees, consultants, lessors, regulators and other third parties. Proceedings may result in high legal costs, adverse monetary judgments and/or damage to the Company's reputation, which ultimately is likely to have an adverse effect on the financial performance of the Company.

General economic risks The performance of the Company, in common with other companies, is subject to general economic conditions, movements in interest and inflation rates, prevailing global commodity prices and currency exchange rates may have an adverse effect on the Company's activities, as well as its ability to fund those activities.

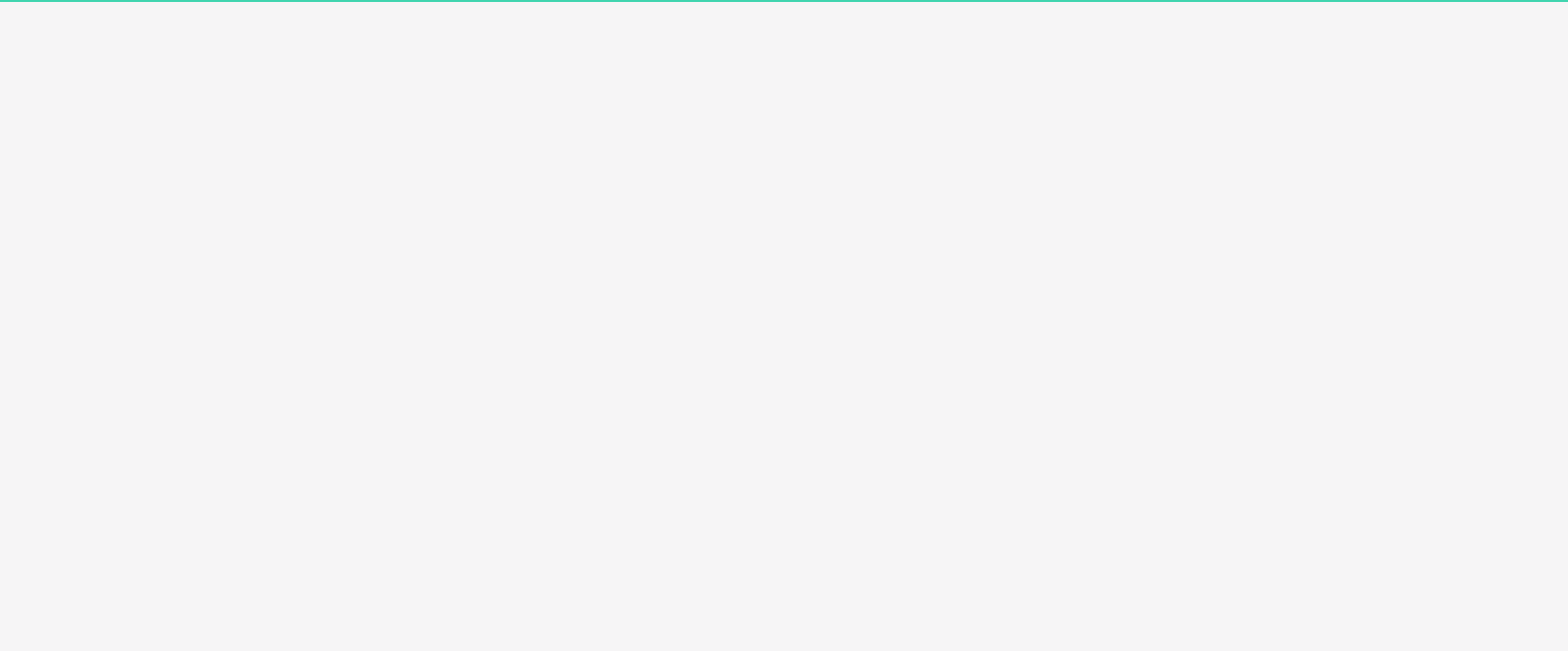
Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions can be affected by many market factors such as:

- general economic outlook;
- interest rates and inflation rates; and
- changes in investor sentiment.

10.4 CONCLUSION

The above list of risk factors should not be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares. Therefore, there is no guarantee with respect to the payment of dividends, returns of capital or the market value of the Shares.

You should consider that an investment in the Company is speculative at this stage and consult your financial advisor, stockbroker, lawyer, accountant or other professional advisors, before deciding whether to apply for the Shares.



11

**DETAILS OF
THE OFFER**

DETAILS OF THE OFFER

11.1 WHAT IS THE OFFER?

The Company is offering Shares to raise a minimum of \$15 million and up to a maximum of \$25 million.

The Offer is open to investors who are resident in either Australia or New Zealand.

Applicants under the Offer will be required to pay \$0.20 per Share for each Share for which they apply and apply for a minimum parcel of 10,000 shares (for \$2,000).

11.2 DISCRETION UNDER THE OFFER

The Company reserves the right not to proceed with the Offer at any time before the allotment of Shares under the Offer. If the Offer does not proceed, Application Monies received by the Company will be refunded in full (without interest). The Company takes no responsibility for Application Monies paid to the Lead Manager until these are received by the Company.

The Company reserves the right to decline any Applications in whole or in part without giving any reason. An Application may be accepted by the Company in respect of the full number of Shares specified in the Application or any of them without further notice to the Applicant. Acceptance of an Application by the Company will give rise to a binding contract.

The Company reserves the right to close the Offer early, to accept late Applications or extend the Offer without notifying any recipient of this Prospectus or any Applicant.

11.3 PURPOSE OF THE OFFER

The purpose of the Offer is to:

- undertake software and technical development of the 9 Spokes Platform;
- conduct infrastructure development to support the 9 Spokes Group's databases;

- engage in product development by enhancing functional features of the Company's products (including providing and enhancing mobile access);
- engage in business and market development by expanding 9 Spokes Group's business into new territories (including undertaking market research);
- provide the Company with access to the public equity capital markets to pursue future growth opportunities and improve capital management flexibility;
- achieve Listing on the ASX to broaden the Shareholder base;
- fund capital expenditure as required; and
- provide for working capital for the Company for the period of at least 15 months.

11.4 MINIMUM SUBSCRIPTION

The Minimum Subscription required for the Offer to proceed is \$15 million. If the Minimum Subscription is not obtained within 4 months after the date of the Original Prospectus, the Company will repay all Application Monies in full without interest as soon as practicable or issue a supplementary or replacement prospectus and allow Applicants one month in which to withdraw their Applications and be repaid their Application Monies in full without interest.

11.5 APPLICATIONS FOR SHARES

Applicants are able to complete an Application Form attached to the back of this Prospectus (or a printed copy of the Application Form attached to the electronic version of the Prospectus) or apply online at www.9spokes.com/investors.

Instructions on how to apply are set out in this Section 11 and on the back, or with, the Application Form.

11.5.1 Who is eligible to participate in the Offer?

The Offer is open to investors who are a resident in either Australia or New Zealand. All Applicants under the Offer should have an eligible residential address in Australia or New Zealand.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares in any jurisdiction outside Australia and New Zealand. The distribution of this Prospectus outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus outside of Australia and New Zealand should seek advice on and observe any such restrictions. It is the responsibility of Applicants outside Australia and New Zealand to obtain all necessary approvals for the issue of Shares to them pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained. The Company will not offer to sell or solicit an offer to purchase any Shares in any jurisdiction where such offer, sale or solicitation may not lawfully be made. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Company reserves the right in its absolute discretion to issue no Shares to Applicants under the Offer.

11.5.2 Completing and returning your Application

What is the minimum and maximum application under the Offer?

Applications must be for a minimum of 10,000 Shares (i.e. \$2,000). Applications in excess of the minimum number of Shares must be in multiples of 2,000 Shares (i.e. \$400).

There is no maximum amount that may be applied for under the Offer. The Company reserves the right to aggregate any Applications under the Offer which it believes may be multiple Applications from the same person.

The Company reserves the right to reject any Application or to allocate a lesser number of Shares than that for which is applied.

How do I apply under the Offer?

In order to apply for Shares under the Offer, please complete the Application Form that is included in or accompanies this Prospectus (or a printed copy of the Application Form attached to the electronic version of the Prospectus) or apply online at www.9spokes.com/investors. An Application Form must be completed in accordance with the accompanying instructions.

Any Applicants applying online must personally complete the online Application Form and pay the Application Monies via BPAY® if applying in Australian dollars. Application Forms completed online must not be completed by third parties, including authorised third parties (e.g. the Applicant's broker).

For printed Applications, once completed, please lodge your Application Form and Application Monies so that it is received at the address of the Company's Share Registry set out below by the Closing Date.

By mail to:
Boardroom Pty Limited
GPO BOX 3993
Sydney, NSW 2000, Australia

How to complete and attach your cheque for the Application Monies

Application Monies may be provided by BPAY® (see below), cheque(s) or bank draft(s).

Your Application Monies must be for Shares in Australian dollars.

Please choose only one of the following payment methods on the Application Form:

Paying your Application Monies by Cheque(s) or bank draft(s):

- (a) In Australian currency;
- (b) Drawn on an Australian branch of a financial institution;
- (c) Not post-dated as cheques will be banked on the day of receipt; and

- (d) Crossed 'Not Negotiable' and made payable to '9 Spokes International Limited'.

Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s) or bank draft(s). If the amount of your cheque(s) or bank draft(s) for Application Monies (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Monies will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

Paying your Application Monies by BPAY®

Investors may apply for Shares online and pay their Application Monies by BPAY®. Investors wishing to pay by BPAY® should complete the online Application Form accompanying the electronic version of this Prospectus which is available at www.9spokes.com/investors and follow the instructions on the online Application Form which includes the Biller Code and your unique Customer Reference Number (CRN).

Any Applicants applying online must personally complete the online Application Form and pay the Application Monies. Application Forms completed online must not be completed by third parties, including authorised third parties (e.g. the Applicant's broker).

You should be aware that you will only be able to make a payment via BPAY® if you are the holder of an account with an Australian financial institution which supports BPAY® transactions.

When completing your BPAY® payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN, your Application will not be recognised as valid.

It is your responsibility to ensure that payments are received by 5.00pm (Sydney time) on the Closing Date.

Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY®, and policies with respect to processing BPAY® transactions may vary between banks, credit unions or building societies.

The Company accepts no responsibility for any failure to receive Application Monies or payments by BPAY® before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

Paying your Application Monies DVP (Delivery Versus Payment)

Investors may apply for Shares and may, in some circumstances, settle by DVP. Contact your broker for further details.

11.5.3 Fees, costs and timing for applications

When does the Offer open?

The Offer is expected to open for Applications on 18 May 2016. However, this may be delayed if ASIC extends the Exposure Period.

What is the deadline to submit an Application under the Offer?

It is your responsibility to ensure that your Application Form and Application Monies are received by the Share Registry before 5.00pm (Sydney time) on the Closing Date for the Offer, which as at the time of this Prospectus is anticipated to be 26 May 2016.

The Company and the Share Registry take no responsibility in respect of an Application Form or Application Monies which are delivered to your broker in connection with your Application until such time as your Application Form and Application Monies are received by the Share Registry.

Is there any brokerage, commission or stamp duty payable by Applicants?

No stamp duty is payable by Applicants on the acquisition of Shares under the Offer.

What are the costs of the Offer and who is paying them?

The costs of the Offer include the legal, accounting, advisory and other costs associated with the production of the offering documentation. At the time of production of this Prospectus the costs payable by the Company are estimated to be A\$1,797,520 assuming the Minimum Subscription of A\$15 million is achieved and A\$2,510,520 assuming the Maximum Subscription of A\$25 million is achieved (in both cases assuming that 100% of the relevant subscription amount is raised). The Company will pay these costs from available cash or the proceeds of the Offer (see section 14.9).

11.5.4 Confirmation of your Application and trading on ASX

When will I receive confirmation as to whether my Application has been successful?

Applicants under the Offer will be able to call the Company Offer information line on 1 800 174 404 (toll free within Australia) or 0800 001 424 in New Zealand from, 26 May 2016 to confirm their allocation, from 8.30am until 5.00pm (Sydney time) Monday to Friday .

Holding statements confirming Applicant's allocations under the Offer are expected to be sent to successful Applicants on or around 2 June 2016.

When will I receive my Shares and when can I trade my Securities?

Subject to ASX granting approval for the Company to be admitted to the Official List, the Company will issue the Shares to successful Applicants as soon as practicable after the Closing Date. Allotment is expected to occur on 2 June 2016.

Trading of the Shares on ASX is expected to commence on 9 June 2016 on a normal T + 3 settlement basis.

If you sell your Shares before receiving an initial holding statement, you do so at your own risk, even if you have obtained details of your holding from your broker or the Company's Offer information line.

Who do I contact if I have further queries?

If you have queries about investing under the Offer, you should contact your stockbroker, financial advisor, lawyer, accountant or other professional advisor.

If you have queries about how to apply under the Offer or would like additional copies of this Prospectus, please call the Company's Offer information line on 1 800 174 404 (toll free within Australia) or 0800 001 424 in New Zealand, from 8.30am until 5.00pm (Sydney time) Monday to Friday.

11.6 ALLOCATION POLICY

The basis of allocation of Shares under the Offer will be determined by the Board. It is currently expected that certain Existing Shareholders of the Company will be permitted to participate in the Offer.

In allocating the Shares, it is the intention of the Board to ensure that the Company has an adequate spread of Shareholders. The allocation of the Shares is at the absolute discretion of the Company (in consultation with the Lead Manager).

The Company reserves the right in its absolute discretion to not issue Shares to Applicants under the Offer and may reject any Application or allocate a lesser number of Shares than those applied for at its absolute discretion.

11.7 APPLICATION MONIES

All Application Monies will be held by the Company on trust in a separate account until the Shares are issued to successful Applicants.

11.8 SHAREHOLDING STRUCTURE

A total of 120 Existing Shareholders presently hold 100% of the Shares in the Company. The Existing Shareholders are expected to hold approximately 68.98% of the total Shares on issue following Completion of the Offer based on the Maximum Subscription being raised, or 78.75% of the total Shares on issue following Completion of the Offer based on the Minimum Subscription being raised. However, this is on the assumption that Existing Shareholders will not participate in the Offer. The Offer will be open to Existing Shareholders and the Company may accept Applications from Existing Shareholders, which may affect the percentage of total Shares issued of which Existing Shareholders hold following Completion of the Offer. Figure 18 below illustrates the ownership structure of the Company immediately prior to Completion of the Offer.

If the Offer is fully subscribed, the total number of Shares on issue at the Completion of the Offer will be 402,963,494 assuming the Maximum Subscription is achieved, or 352,963,494 assuming the Minimum Subscription is achieved, and all Shares will rank equally with each other. Assuming that the Maximum Subscription is achieved, the Shares offered under this Prospectus will represent up to 31.02% of the Shares on issue on Completion of the Offer, or 21.25% of the Shares on issue on Completion of the Offer assuming that the Minimum Subscription is achieved.

The substantial Shareholders (being a Shareholder with more than 5% of the Shares on issue immediately prior to Completion of the Offer) and their interests before and after the Offer assuming the Maximum Subscription is achieved are (rounded up to the nearest 1/100th of a percentage):

| Shareholder ¹ | Ownership of Shares immediately prior to Completion of the Offer (Shares) | | Indicative ownership structure of the Company upon Completion of the Offer (Shares) | | | |
|---|---|-------------|--|---------------|---|---------------|
| | | % | Minimum Subscription (\$15 million) | % | Maximum Subscription (\$25 million) | % |
| M & M No. 2 Limited ² | 51,444,727 | 18.51% | 51,444,727 | 14.58% | 51,444,727 | 12.77% |
| Adrian David Grant & AJ Trustee Services Limited as Trustees for the Holland Park Capital Trust ³ | 51,312,727 | 18.46% | 51,312,727 | 14.54% | 51,312,727 | 12.73% |
| Franc Holdings Limited ⁴ | 30,620,271 | 11.02% | 30,620,271 | 8.68% | 30,620,271 | 7.6% |
| Harrogate Trustee Limited as Trustees for Brandywine Trust | 21,087,972 | 7.59% | 21,087,972 | 5.97% | 21,087,972 | 5.23% |
| Brendan Paul Roberts & ML Trustees 3287 Limited atf Brendan Roberts Investment Trust ⁵ | 14,799,609 | 5.32% | 14,799,609 | 4.19% | 14,799,609 | 3.67% |
| Other Existing Shareholders | 108,698,188 | 39.11% | 108,698,188 | 30.8% | 108,698,188 | 26.98% |
| New Shares to be issued under the Offer or at Completion of the Offer if Minimum or Maximum Subscription reached | N/A | N/A | 75,000,000 | 21.25% | 125,000,000 | 31.02% |
| TOTAL⁶ | 277,963,494 | 100% | 352,963,494 | 100.0% | 402,963,494 | 100.0% |

Figure 18: Shareholding structure pre-Offer and on Completion

1. Any discrepancies between totals and sums of components in this table are due to rounding. The table above does not include any Shares that may be issued on the exercise of any of the outstanding Options on issue. For the purposes of this table only, it is assumed that the Existing Shareholders will not participate in the Offer. However, the Offer will open to all Existing Shareholders and the Company may accept Applications from Existing Shareholders.
2. M & M No. 2 Limited is an entity associated with Mark Estall, an Executive Director and Chief Executive Officer of the Company.
3. Adrian David Grant & AJ Trustee Services Limited as Trustees for the Holland Park Capital Trust is an entity associated with Adrian Grant, a former Director of the Company.
4. Franc Holdings Limited is an entity associated with Adrian Grant, a former Director of the Company and Mark Estall, an Executive Director and Chief Executive Officer of the Company.
5. Brendan Paul Roberts & ML Trustees 3287 Limited atf Brendan Roberts Investment Trust is an entity associated with Brendan Roberts, Chief Marketing Officer of the Company.
6. See Section 14.12 for details regarding the Company possibly issuing further Options to an Existing Shareholder at a time following Completion of the Offer, which if exercised would ultimately alter the number of Shares on issue.

On Completion of the Offer, the Existing Shareholders will have no shareholders' agreement or other arrangements between them in respect of the Shares they hold, other than the Constitution. Some of the Shares held by the substantial Shareholders listed above post-IPO will be subject to restrictions contained in escrow arrangements described in this Section 11.

11.8.1 ASX Restriction Agreements

In connection with the Company's application for admission to the Official List, ASX requires that certain Shares held by Existing Shareholders post-IPO will be subject to restrictions contained in escrow arrangements with the ASX. Those restriction agreements must be in the standard form required by ASX.

The Company expects that 138,840,287 Shares held by Directors or in the case of Adrian Grant, a former Director (or their associates) will be restricted for 24 months from the date of admission of the Company to the Official List and these Shares will be released from escrow at the end of that period.

| Name | Estimated No. of Shares in escrow for 24 months |
|---|---|
| Paul Reynolds | 2,555,625 |
| Adrian Grant ¹ | 51,369,611 |
| Mark Estall | 51,444,323 |
| Wendy Webb | 1,006,673 |
| Thomas Power | 1,843,784 |
| Mark Estall and Adrian Grant ² | 30,620,271 |
| TOTAL | 138,840,287 |

Figure 19: Director or former Director Escrow Arrangements

- 1 Adrian Grant is a former Director, having resigned that position within the period of 6 months prior to the date of this Prospectus.
- 2 Adrian Grant and Mark Estall are both directors and equal shareholders of a company that holds 30,620,271 Shares in the Company. The Company expects that all of these Shares will be subject to escrow.

The Company estimates that a total of 192,250,371 of the existing Shares, representing 69.2% of the total Shares issued pre-IPO will be subject to escrow restrictions for different periods following the Company's Listing on the ASX.

The Company also expects that all Options issued at the IPO and an additional 2,683,771 Options previously issued will be restricted for 24 months from Listing on the ASX.

As at the date of this Prospectus, the ASX is yet to make the final determination of the mandatory escrow to be applied to Shares and Options. That determination may be different from the assumptions set out in this Prospectus.

11.8.2 Potential effect of the fundraising on the future of the Company

The Directors believe that on Completion of the Offer, the Company will have sufficient funds available from the cash proceeds of the Offer, and its operations, to fulfil the purposes of the Offer and meet its stated business objectives.

11.9 EMPLOYEE SHARE OPTION PLAN

The Company has an employee share option plan under which 1,875,882 Options issued prior to 10 May 2016 remain on foot (**Prior ESOP**). A summary of the rules of the Prior ESOP is included in Section 12. No further Options will be issued under the Prior ESOP.

Effective 10 May 2016, the Board adopted a new employee share option plan being the "9 Spokes Employee Share Option Plan" (**Current ESOP**). The Current ESOP replaces the Prior ESOP and is designed to:

- attract, reward, retain and incentivise eligible participants;
- establish a method by which eligible participants can participate in the future growth and profitability of the Company; and
- recognise the ongoing ability of eligible participants and their expected efforts and contribution to the performance and success of the Company.

As at the date of this Prospectus, no Options have been issued under the Current ESOP. However, future Options will be issued under the terms of the Current ESOP. Directors may be entitled to Options under the Current ESOP.

A summary of the terms of the Current ESOP is also set out in Section 12.

11.10 OPTIONS ISSUED

11.10.1 Options issued to Existing Shareholders

In addition to the 1,875,882 Options issued under the Prior ESOP referred to in Section 11.9, the Company has issued a total of 42,888,587 Options to various Existing Shareholders. However, none of the Directors or their related parties of the Company hold any of the Options issued to Existing Shareholders.

In summary, the 42,888,587 Options issued to various Existing Shareholders are as follows:

| No. of Options | Basis of issue | Date of issue | Expiry Date for exercise | Exercise price ¹ |
|-------------------|---|---|--------------------------|---|
| 28,592,401 | Subscription Agreements between the Company and various Existing Shareholders | Generally, between September 2014 and December 2014 | 30 September 2017 | At issue, NZ\$1.35. These options were subject to a subsequent share split and post-split the exercise price is NZ\$0.18 (A\$0.162 ¹) |
| 14,296,186 | Subscription Agreements between the Company and various Existing Shareholders | Generally, between September 2014 and December 2014 | 30 September 2017 | At issue, NZ\$1.65. These options were subject to a subsequent share split and post-split the exercise price is NZ\$0.22 (A\$0.198 ¹) |
| TOTAL: | | | | |
| 42,888,587 | | | | |

Figure 20: Options issued to Existing Shareholders (other than pursuant to the Prior ESOP)²

- For the purposes of this table only, an exchange rate of A\$1.00/NZ\$1.10972 has been applied.
- See Section 14.12 for details regarding the Company possibly issuing further Options to an Existing Shareholder at a time following Completion of the Offer.

In addition to the exercise prices and expiry dates for exercise of the Options referred to in the table above, the key terms upon which the Options referred to in the table above were issued to various Existing Shareholders are as follows:

- The Options may not be transferred to any other person without the prior consent of the Board;
- Unless the Board unanimously resolves otherwise, the Options will lapse if the Completion of a Major Event occurs and the holder of the Option has not exercised its Option at least 5 Business Days before the Completion date. A Major Event is defined to include, without limitation:
 - All of the Shares are compulsorily acquired by any person or by a person and that person's associates (as such term is defined in the Takeovers Code); or
 - A merger of the Company with any other entity.

11.10.2 Options to be issued to Advisors

The Company has also entered into certain agreements with advisors to this Offer under which a total of 8,750,000 Options having an exercise price of A\$0.20 may be issued to those advisors. Details of those agreements are set out in Section 12.

11.11 ASX LISTING, REGISTERS AND HOLDING STATEMENTS

11.11.1 ASX Listing

The Company has applied to ASX for admission to the Official List and for its Shares to be granted official quotation by ASX. The Company is not currently seeking a Listing of its Shares on any financial market other than ASX.

The fact that ASX may admit the Company to the Official List and grant official quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered for issue under the Offer. ASX takes no responsibility for the contents of this Prospectus. Normal settlement trading in the Shares, if quotation is granted, will

commence as soon as practicable after the issue of holding statements to successful Applicants.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive confirmation of their allotment will do so at their own risk.

If ASX does not grant permission for the Shares to be quoted within 3 months after the date of the Original Prospectus, the Shares will not be issued and all Application Monies will be refunded (without interest) as soon as practicable.

11.11.2 Chess and issuer sponsored holdings

The Company will apply to participate in the ASX's Clearing House Electronic Subregister System (CHES) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHES is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHES subregister or an issuer sponsored subregister.

For all successful Applicants, the Shares of a Shareholder who is a participant in CHES or a Shareholder sponsored by a participant in CHES will be registered on the CHES subregister. All other Shares will be registered on the issuer sponsored subregister.

Following Completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number for CHES holders or, where applicable, the Securityholder Reference Number of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX

Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

11.12 RESTRICTIONS ON DISTRIBUTION

11.12.1 General

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia and New Zealand.

This Prospectus does not constitute an offer or invitation to subscribe for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who reside outside Australia and New Zealand and who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

The Company will not offer to sell or solicit an offer to purchase any securities in any jurisdiction where such offer, sale or solicitation may not lawfully be made. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

In particular, the Offer and sale of the Shares has not been, and will not be, registered under the *Securities Act (1993)* (US) (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and the Shares may not be offered or sold, directly or indirectly, in the United States.

Each Applicant will be taken to have represented, warranted and agreed as follows:

- it understands that the Offer and sale of the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States other than under an exemption from such law and may not be offered, sold or resold in the United States except pursuant to an exemption from, or

in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;

- it is not in the United States;
- it has not and will not send the Prospectus or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia and New Zealand except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

11.12.2 Tax implications of investing in the Company

The taxation consequences of any investment in the Shares will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company.

11.13 SELLING RESTRICTIONS IN SINGAPORE AND HONG KONG

11.13.1 Singapore

Without limitation, this Prospectus and any other materials relating to the Shares being offered pursuant to this Prospectus have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore pursuant to the Securities and Futures Act (Chapter 289 of the Singapore Statutes) (**SFA**). Accordingly, this Prospectus and any other prospectus or materials in connection with the offer of sale, or the invitation for subscription or purchase, of the Shares the subject of this Prospectus, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with, the exemptions in Subdivision (4) of Division 1, Part XIII of the SFA, or as otherwise pursuant to, and in accordance with, the conditions of any other applicable provisions of the SFA.

If you are in Singapore, this Prospectus has been given to you on the basis that you are (i) an "institutional investor" (as defined in section 4A(1)(c) of the SFA) or (ii) a "relevant person" (as defined in section 275(1A) of the SFA) or (iii) a person to whom an offer is being made, as referred to in section 275(1A) of the SFA. By accepting this Prospectus, you represent and warrant that you are an investor falling within the categories set out above and agree to be bound by the disclaimers, limitations and restrictions described herein. In the event that you are not an investor falling within any of the categories set out above, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any Offer is not made to you with a view to the Shares the subject of this Prospectus being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may

be applicable to investors who acquire the Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

11.13.2 Hong Kong

Without limitation, this Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the laws of Hong Kong), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (SFO). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO).

No advertisement, invitation or document relating to the Shares or the Offer has been or will be issued, or has been or will be in the possession of any person for the purposes of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside of Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.



**MATERIAL
CONTRACTS**

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MATERIAL CONTRACTS

Various contracts entered into by the Company and/or its Subsidiaries may be material to the Offer or the operation of the business of the 9 Spokes Group. The Directors of the Company consider that the contracts summarised below are significant or material to the 9 Spokes Group (Material Contracts). The main provisions of the Material Contracts are summarised in this section. Each Material Contract appears in summary form only and is included for the information of potential investors. Each summary does not purport to be complete and is qualified by the text of the relevant contract. Some terms may be defined in the Material Contracts but not defined in this Prospectus.

12.1 DELOITTE ALLIANCE AGREEMENT

The Company and Deloitte Services Pty Limited acting as trustee for Deloitte Services Trust (**Deloitte**) have been parties to the Deloitte Alliance Agreement since 2014. The Company agreed to develop a Channel Partner (i.e. Deloitte) branded instance of 9 Spokes Direct, to be made available to CP Customers of Deloitte.

The Company does not currently receive any license fees from Deloitte under the Deloitte Alliance Agreement. On 30 April 2016, in order to facilitate a technical upgrade to a Deloitte internal system, Deloitte temporarily suspended the availability of the Deloitte branded instance of 9 Spokes Direct, but the parties anticipate the Deloitte branded instance of 9 Spokes Direct to again be made available to CP Customers of Deloitte by approximately mid-June 2016.

The initial term of the Deloitte Alliance Agreement was 2 years, with automatic extensions every 12 months unless notice is otherwise given. The Deloitte Alliance Agreement remains in force, and the last date by which notices objecting to automatic extension has passed; accordingly, the term of the Deloitte Alliance Agreement is expected to continue until at least 26 March 2017.

Each party's liability, except in relation to specifically excluded matters, is limited. Consequential loss in relation to each party's liability is excluded.

All new intellectual property rights are owned by the Company, unless otherwise explicitly agreed.

The Company indemnifies Deloitte against third party claims of infringement of intellectual property rights arising from use of the 9 Spokes system, and for acts or omissions of 9 Spokes Personnel.

In addition to standard termination rights (eg, unremedied material breach, insolvency), Deloitte may terminate the Deloitte Alliance Agreement immediately if there is a legal or regulatory or similar change which renders performance under the agreement unlawful or in conflict with professional rules applicable to Deloitte (or a related entity). The nature of each party's post-termination obligations to the other depends on the cause of the termination, but generally the terminating party is entitled to certain post-termination assistance from the other party.

The Company also entered into an accompanying Escrow Agreement with Deloitte and an Australian escrow agent, requiring the Company to deposit source code for the Platform into escrow. The source code may be accessed by Deloitte in certain circumstances, which include termination by Deloitte following material breach by the Company, and support for the 9 Spokes Platform ceasing to be available.

12.2 BARCLAYS AGREEMENT

The Company entered into a contract for the development and maintenance of a Channel Partner specific Dashboard and App store (**Barclays Agreement**) with Barclays Bank PLC (**Barclays**) in November 2015.

The Company must deliver a Barclays version of the 9 Spokes Platform that meets the "Minimum Viable Proposition". The Initial Term of the Barclays Agreement begins on the date on which the Barclays

Platform is first used to conduct business after acceptance by Barclays (**Actual MVP Go-Live Date**). The maximum term of the Agreement is 6 years from the Actual MVP Go-Live Date.

Compliance with the Actual MVP Go-Live Date is a requirement, subject to mutual review and adjustment. Following the Actual MVP Go Live Date, the Platform will continue to be developed in accordance with the Company and Barclays agreed Roadmap.

The Company will receive an agreed implementation fee, payable on the achievement of specified milestones, prior to the Actual MVP Go-Live Date. On and following delivery, the Company will be paid license fees on a regular basis.

Barclays holds a "Source Code Option". If exercised, Barclays will pay the Company an agreed amount, entitling Barclays from any time after expiry of the initial 3 year term to a conditional perpetual license to use the 9 Spokes System source code for the purpose of operating an instance of the Platform independently of the Company.

The Company indemnifies Barclays against third party claims arising from the Barclays Agreement, including claims of infringement of third party intellectual property rights arising from use of the 9 Spokes system.

Each party's liability, other than with respect to specified exemptions, is limited.

Consequential loss in relation to each party's liability is excluded. If the Company causes loss or damage to the tangible property of Barclays (or any Barclays Entity), the maximum aggregate liability is separately limited to a specified sum.

Barclays may terminate the Barclays Agreement (in whole or in part) for convenience at any time by giving at least 30 days prior written notice to the Company.

Barclays has standard rights to terminate for cause (eg, unremedied material breach, insolvency), and rights arising from regulatory breach caused by the conduct of the Company. The nature of each party's post-termination obligations to the other depends on the cause of the termination, but generally the terminating party is entitled to certain post-termination assistance from the other party.

The Company must comply with certain Barclays internal policies relating to the conduct of the Company's business and general operations, including business continuity management, complaints, cyber security, data privacy, logical access management and information classification handling, people screening, physical security, records management schedule and subcontractors.

The Company is required to supply the Platform and associated support services so as to meet or exceed certain service levels specified in a Service Level Agreement. Service Credits, which may be offset against license fees owed to the Company from time to time, may be issued if Service Levels are not achieved.

The Company will be required to enter into a separate Escrow Agreement with Barclays and a UK escrow agent, requiring the Company to deposit source code for the platform into escrow. The source code may be accessed by Barclays if the Barclays Agreement is terminated by Barclays (other than on expiry of the Barclays Agreement or for convenience).

12.3 SUNCORP AGREEMENT

The Company entered into the 9 Spokes Platform Channel License Agreement for Suncorp in April 2016 (**Suncorp Agreement**) with Suncorp Corporate Services Pty Ltd (**Suncorp**). The Company agreed to develop a Suncorp branded instance of the 9 Spokes Platform, to be made available to CP Customers of Suncorp.

The initial term of the Suncorp Agreement is 3 years, with automatic 3 year extensions unless notice is otherwise given.

The Company must design, build, test and deliver the Suncorp Branded Platform by 4 July 2016 (**Go-Live**). Prior to delivery of the Suncorp Branded Platform, an interim test platform is to be delivered.

The Company will receive an agreed implementation fee, payable on the achievement of specified milestones, prior to Go-Live. On and following delivery, the Company will be paid a base license fee and a variable license fee (the amount of which depends on CP Customer numbers). These license fees are payable on a monthly basis.

All data about Suncorp's CP Customers and their businesses and Suncorp must be kept confidential, but the Company may use CP Customer data to derive aggregated, anonymised data, and use such data for any purpose permitted by law, provided such derived data cannot be reverse engineered to identify the CP Customer or Suncorp.

All new intellectual property rights are owned by the Company, unless otherwise explicitly agreed.

Each party's liability, except in relation to specifically excluded matters, is limited. Consequential loss in relation to each party's liability is excluded.

The Company indemnifies Suncorp against third party claims of infringement of intellectual property rights arising from use of the 9 Spokes System.

Suncorp may terminate for convenience at any time prior to Go-Live on 7 days' notice in writing, and after Go-Live on 90 days' notice in writing.

Each party has standard termination rights (eg, unremedied material breach, insolvency). The nature of each party's post-termination obligations to the other depends on the cause of the termination, but generally the terminating party is entitled to certain post-termination assistance from the other party.

The benefits granted to Suncorp under the Agreement may be enjoyed by any member of the Suncorp Group.

The Company must comply with certain Suncorp internal policies, including by developing and maintaining a business continuity plan.

The Company will be required to supply the 9 Spokes Platform and associated support services so as to achieve certain service levels specified in a Service Level Agreement. The Service Level Agreement must be finalised by the parties prior to Go-Live. Until Go-Live, the Company must make best endeavours to support the interim test platforms.

If required by Suncorp, the Company will enter into an accompanying Escrow Agreement with Suncorp and an escrow agent, requiring the Company to deposit source code for the platform into escrow. The source code

may be accessed by Suncorp in certain circumstances, which include termination by Suncorp following material breach by the Company, and support for the 9 Spokes Platform ceasing to be available.

12.4 MANDATE AGREEMENT WITH FOSTER

The Company has entered into a mandate agreement with Foster Stockbroking Pty Limited (**Foster**) dated 1 December 2015 (**Mandate Agreement**) pursuant to which the Company appointed Foster as its Lead Manager in relation to the IPO. Under the Mandate Agreement, the Company will pay Foster a management fee equal to 1% of the total gross proceeds of the IPO and a Placement Fee equal to 5% of the total gross proceeds of the IPO. The Company will also reimburse Foster expenses incurred by Foster in relation to travel accommodation and other expenses (to a maximum of \$20,000).

Foster also agrees to pay First NZ Capital Securities Limited (**First NZ**) a fee of 5% of the gross amounts raised pursuant to any allocations of Shares subscribed for by First NZ's clients as part of the IPO. First NZ will also be offered a minimum set allocation of \$5,000,000 of the IPO to New Zealand based investors only.

The Company must also issue a total of 7,000,000 unlisted options (**Advisor Options**) with an exercise price of AUD\$0.20, with a vesting price equal to a 50% premium to the issue price and with an expiry date of 30 June 2019. First NZ will receive Advisor Options proportionate to what their client base is allocated in the IPO, with Foster to receive the balance.

Liability is limited for any losses caused to the Company by Foster to the amount of the fees paid to Foster by the Company. Consequential loss is also excluded.

The Company must also indemnify Foster against all Losses incurred. This indemnity is in addition to any rights that Foster may have at common law or otherwise. However, this indemnity applies only to the maximum extent permitted by law and does not apply to the Losses if they have been finally determined by a court to have been caused directly by Foster's negligence, recklessness, wilful misconduct or fraud.

12.5 MANDATE AGREEMENT WITH FIRST NZ

The Company has also entered into an agreement with First NZ regarding the raising of capital and the positioning of the Company in relation to potential investors in relation to, among other things, placements made by First NZ to its clients prior to this Offer (**Placements**). The Company agreed to pay First NZ a fee equal to 7% of the gross proceeds raised under each Placement. The Company will also pay First NZ a fee equal to 1% of the gross proceeds of the IPO.

The Company agrees to indemnify First NZ from and against any liability, damages, costs and expenses suffered except to the extent that a claim is finally judicially determined to have resulted primarily from the fraud, negligence or wilful default of First NZ. First NZ also disclaims all liability to the Company or any

other person except to the extent it is determined that First NZ was fraudulent, negligent or engaged in wilful default.

12.6 AGREEMENT WITH NWR COMMUNICATIONS

The Company has also entered into an agreement with NWR Communications (No 2) Pty Ltd (**NWR Communications**) for NWR to manage the media and investor relations for the Company in relation to the IPO. The Company must also issue a total of 250,000 unlisted Options with an exercise price of A\$0.20, vesting upon the Company's Volume-Weighted Average Price reaching a 50% premium to the issue price within two years of Listing and with an expiry date of 30 June 2019. These Options are only exercisable after two years of Listing. NWR Communications is also entitled to a monthly retainer of A\$7,500 plus GST payable upon Listing.

12.7 AGREEMENT WITH CSB PARTNERS LIMITED

The Company has also entered into an agreement with CSB Partners Limited regarding the capital advisory services that CSB Partners Limited provided in relation to the IPO. The Company must issue a total of 1,500,000 unlisted Options to CSB Partners Limited with an exercise price of A\$0.20, vesting on the date the price per Share of the Company on the ASX is equal to A\$0.30, with an expiry date of 30 June 2019.

12.8 EMPLOYEE SHARE OPTION PLANS

12.8.1 Prior ESOP

The Company granted a total of 1,875,882 currently on-foot Options to certain employees in 2015 under an employee share option plan (**Prior ESOP**).

Key provisions of the Prior ESOP include:

- the Options are to vest in thirds every twelve months following the date the Options were issued;
- the expiry date of the Options is as set out in the employee's letter of offer;
- the exercise price of the Options was NZ\$1.20 at issue. However, following a subsequent share split, the exercise price is NZ\$0.16 (A\$0.144751 using an exchange rate of A\$1.00/NZ\$1.10972); and
- there are a number of liquidity events outlined in the Prior ESOP and, should the relevant employee cease to be employed by the Company, all Options not yet vested will be cancelled and, all Options vested, must be exercised within three months following the relevant employee's leaving date, unless the Board otherwise determines.

No further Options will be issued under the Prior ESOP.

12.8.2 Current ESOP

Effective from 10 May 2016, the Company adopted a new employee share option plan (**Current ESOP**) which replaces the Prior ESOP. As at the date of this Prospectus, no Options have yet been issued under

the Current ESOP. However, any future issues of Options to employees will be pursuant to the terms of the Current ESOP.

Key provisions of the Current ESOP include:

- the Options are to vest in accordance with the employee's letter of offer;
- the expiry date of the Options will be as set out in the employee's letter of offer; and
- should the relevant employee cease to be employed by the Company, all Options not yet vested will be cancelled and, all Options vested, must be exercised within three months following the relevant employee's leaving date, unless the Board otherwise determines.

Directors may be entitled to receive Options under the Current ESOP.

12.9 TERM SHEET

A term sheet was entered into between the Company and a major UK accounting firm on 18 December 2015. The Company agreed to develop a customised Portal, which will provide functionality and widgets specific and exclusive to that accounting firm (and its CP Customers). The Term Sheet is non-binding other than in relation to the parties meeting in good faith to negotiate the term of a formal agreement and to give effect to the legal effect of the proposed agreement which is contained in the Term Sheet. The Company is currently in discussions with the accounting firm to formalise a commercial arrangement. There is no guarantee that the Company will enter into any commercial agreement with that firm.

12.10 BILLING OSP AGREEMENTS

The Company contracts with various Billing OSPs to permit a Billing OSP's App to be displayed and purchased by Customers through the 9 Spokes Platform. The Company is authorised to grant a license to Customers to use the relevant App. The Company is obliged to pay the Billing OSP the monthly subscription fee (less the agreed retention percentage) due in respect of each Customer.

Generally, except in the case of a breach of third party's intellectual property rights, neither party is liable to the other for consequential loss. Generally, liability is limited to the amount paid or payable by a Billing OSP to the Company under the relevant Billing OSP Agreement during the 12 months prior to the initial event which caused or resulted in such liability. Generally, the Company will be liable for and must indemnify the Billing OSP for any liability or loss or damage arising from any claim that the 9 Spokes Platform, or the use of the 9 Spokes Platform by any Customer infringes the Intellectual Property Rights of any person, except and to the extent that any liability, loss or damage arises as a result of an act or omission of an Billing OSP.

Either party may terminate the Billing OSP Agreement for any reason by giving 6 months' notice.

For a list of some of the OSPs which the Company has agreements with, please see: www.9spokes.com/apps.

12.11 TERMS AND CONDITIONS

The Company enters into a contract with each Customer of the 9 Spokes Platform pursuant to the Company's Terms and Conditions. The Company grants to the End User a revocable, non-transferable and non-exclusive license to use the 9 Spokes Platform in accordance with the Terms and Conditions. For instance, the End User must not modify, translate, adapt, arrange or create any adaptation or modification of the 9 Spokes Platform for any purpose.

The Company's Terms and Conditions are subject to change from time to time.

For CP Customers, the terms and conditions applicable to use of the 9 Spokes Platform may be the Company's own Terms and Conditions, or may be alternative terms and conditions specified by, or developed in consultation with, the relevant Channel Partner.





**RELATED PARTY
ARRANGEMENTS**

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RELATED PARTY ARRANGEMENTS

13.1 EXECUTIVE DIRECTOR - EMPLOYMENT AGREEMENT

The Company has entered into an employment agreement with Mark Estall under which he is employed in the role of Chief Executive Officer. The agreement includes a termination notice period of 6 months. The Company may terminate Mark's employment immediately for serious misconduct. Mark is prohibited from competing with the Company for 12 months following termination of his employment. There are also confidentiality provisions and provisions ensuring Intellectual Property Rights vest in the 9 Spokes Group.

The agreement provides that Mark's remuneration will comprise a gross annual salary of NZ\$240,000. The Company will review Mark Estall's remuneration before 30 June 2016, and on an annual basis thereafter.

13.2 SERVICE CONTRACTS

The Company has entered into the following Independent Contractor Agreements with each non-Executive Director, or in the case of Adrian Grant, a former Director:

Paul Reynolds: The Company has entered into a contract under which Paul Reynolds has been engaged to provide certain corporate advisory services to the Company. The agreement can be terminated by mutual agreement or by either party providing at least 3 months written notice of termination. Additionally, either party can terminate if the other party is in breach of any terms of the

agreement. The Director is prohibited from soliciting for 12 months following termination a number of parties related to the Company including but not limited to customers. There are also confidentiality provisions and provisions ensuring Intellectual Property Rights vest in the 9 Spokes Group.

In consideration for provision of the services, the Company will pay Paul Reynolds £2,500 per day for services provided.

Thomas Power: The Company has entered into a contract under which Thomas Power has been engaged to provide certain corporate advisory services to the Company. The agreement can be terminated by mutual agreement or by either party providing at least 3 months written notice of termination. Additionally, either party can terminate if the other party is in breach of any terms of the agreement. The Director is prohibited from soliciting for 12 months following termination a number of parties related to the Company including but not limited to customers. There are also confidentiality provisions and provisions ensuring Intellectual Property Rights vest in the 9 Spokes Group.

In consideration for provision of the services, the Company will pay Thomas Power £1,500 per day for services provided.

Adrian Grant: The Company has entered into a contract under which Adrian Grant has been engaged to provide certain corporate advisory services to the Company. The agreement can be terminated by mutual agreement or by either party providing at least 6 months written notice of termination. Additionally, either party can terminate if the other party is in breach of any terms of the agreement. He is prohibited from soliciting for 12 months following termination a number of parties related to the Company including but not limited to customers. There are also confidentiality provisions and provisions ensuring Intellectual Property Rights vest in the 9 Spokes Group.

In consideration for provision of the services, the Company will pay Adrian Grant NZ\$5,000 per month for services provided. It is anticipated that his remuneration will be reviewed by the Remuneration and Nomination Committee shortly after Listing.

Wendy Webb: The Company has entered into a contract under which Wendy Webb has been engaged to provide certain corporate advisory services to the Company. The agreement can be terminated by mutual agreement or by either party providing at least 3 months written notice of termination. Additionally, either party can terminate if the other party is in breach of any terms of the agreement. The Director is prohibited from soliciting for 12 months following termination a number of parties related to the Company including but not limited to customers. There are also confidentiality provisions and provisions ensuring Intellectual Property Rights vest in the 9 Spokes Group.

In consideration for provision of the services, the Company will pay Wendy Webb US\$3,000 per day for services provided.

In each of these Independent Contractor Agreements with each non-Executive Director, consideration for services provided can, under certain circumstances, be taken in securities in the Company.

13.3 DEEDS OF INDEMNITY AND ACCESS

The Company has entered into deeds of indemnity with each Director (**Deeds**). In accordance with the Constitution, under the Deeds the Company indemnifies each Director against (i) any costs incurred by the Director in any proceeding that relates to liability for any act or omission made by the Director as an officer of the Company or a "Related Company" (as that term is defined in the Deeds) and in which judgment is given in the Director's favour or in which the Director is acquitted or which is discontinued; (ii) any liability to any third party for any act or omission by the Director as an officer of the Company or a "Related Company" (as that term is defined in the Deeds); and (iii) any costs incurred by the Director in defending or settling any claim or proceeding to any costs of the nature referred to in (ii).

The Deeds do not specify any limitations to the indemnity as to the amounts payable or the period during which claims can be made, but the indemnities are stated to be given only to the extent permitted by law.

Under the Constitution, the Company may effect insurance for a Director against costs and certain liabilities incurred by the Director in his or her capacity as a Director of the Company. Under the Deeds, the Company must obtain insurance for each Director both while that person is a Director of the Company, and after that person ceases to be a Director of the Company.

13.4 OTHER RELATED PARTY ARRANGEMENTS

The Company has entered into an agreement with Umbrellar Limited (**Umbrellar**). Adrian Grant is a director and shareholder of Umbrellar and was a Director of the Company within 6 months prior to the date of this Prospectus. Umbrellar provides the Company with domain hosting and cloud hosting services from time to time. In the 24 months prior to the date of this Prospectus, the Company has paid Umbrellar approximately NZ\$48,331.00 for its services on an arm's length basis. This relationship is governed by Umbrellar's standard terms and conditions, which are available on Umbrellar's website.

13.5 INTRA-GROUP ARRANGEMENTS

The Company and certain Subsidiaries of the Company have entered into the following agreements:

(a) **Services Agreement between the Company and 9 Spokes Australia Pty Limited (9 Spokes Australia):**

The Company provides 9 Spokes Australia with general management services and accounting and administration support which 9 Spokes Australia may request from time to time. 9 Spokes Australia pays to the Company fees calculated in accordance with the following formula: **Fee = X + (Y x MU%)**, where X = all disbursements incurred by the Company in providing Services to the 9 Spokes Australia, Y = all direct and indirect costs incurred by 9 Spokes Australia in providing Services, including (without limitation) such proportion of office overheads and employee related costs as is attributable to the performance of those

Services and, MU% = 1.075, representing a mark-up of 7.5%. The agreement terminates on 30 September 2019, unless terminated earlier for convenience by either party by giving six months' notice.

(b) **License Agreement between the Company and 9 Spokes Australia:**

9 Spokes Australia assigns to the Company all if its interest in all existing and future Intellectual Property Rights which relate to modifications, enhancements or improvements made to the 9 Spokes System. The Company licenses those Intellectual Property Rights to 9 Spokes Australia on a non-exclusive and non-transferable basis, permitting 9 Spokes Australia the right to use the Intellectual Property Rights and to re-sell any product which relates to those Intellectual Property Rights within Australia for the term of the agreement. The term of the agreement continues for a period of 5 years from 1 April 2015, renewed automatically thereafter for successive 5 year periods unless terminated by either party by giving 60 days prior written notice to the other party prior to the commencement of any such 5 year renewal.

9 Spokes Australia pays the Company a royalty in each year of the Term. The calculation of royalty is set at an arm's length percentage of the 9 Spokes Australia's Residual Operating Profit in Australia (the gross receipts from sales of Product in the Territory by 9 Spokes Australia to third parties less customary operating deductions and a 10% return on the customary operating deductions). The arm's length royalty percentage is to be determined by professional transfer pricing experts from time to time.

The Company indemnifies 9 Spokes Australia against any liability arising out of any claim asserted by a third party that use of the 9 Spokes System infringes a third party's Intellectual Property Rights.



14

**ADDITIONAL
INFORMATION**

14

ADDITIONAL INFORMATION

14.1 REGISTRATION

The Company was incorporated on 19 September 2011 and is incorporated and registered in New Zealand, with company number 3538758. The Company is registered to conduct business in Australia under ARBN 610 518 075.

14.2 BALANCE DATE AND COMPANY TAX STATUS

The Company is a tax resident of New Zealand and not a tax resident of Australia. The proposed ASX Listing in itself does not have a direct effect on the tax residence of the Company.

The balance date of the Company is 31 March. The financial statements of the Company will be prepared in accordance with New Zealand generally accepted accounting practice and in New Zealand dollars. They comply with New Zealand equivalents to International Financial Reporting Standards, and other applicable Financial Reporting Standards as appropriate for profit-oriented entities. They also comply with International Financial Reporting Standards.

14.3 APPLICABLE LAW

14.3.1 The Company is a New Zealand company

The Company is a company registered and incorporated in New Zealand and is principally governed by New Zealand law, rather than Australian law. In Australia, the Company is registered with ASIC as a foreign company. As the Company is not established in Australia, its general corporate activities

(apart from any offering of securities in Australia and certain reporting obligations) are not regulated by the Corporations Act or by ASIC but instead are regulated by the Companies Act, Securities Act, Securities Regulations, Financial Markets Conduct Act, Financial Markets Conduct Regulations, the Takeovers Code (NZ), the New Zealand Financial Markets Authority and the Registrar of Companies.

Set out below is information summarising key features of the laws that apply to the Company as a New Zealand company (under New Zealand law, including as modified by exemptions or waivers) compared with the laws that apply to Australian publically listed companies generally. It also includes a comparison of the key differences between the Listing Rules of the NZX and the ASX. This summary does not purport to be a complete review of all matters of New Zealand law applicable to the Company or all matters of Australian law applicable to Australian publically listed companies or to highlight all provisions that may differ from the equivalent provisions in Australia.

Unless otherwise stated, the Corporations Act provisions do not apply to the Company as a foreign company.

14.3.2 Concise summary of rights and obligations of security holders, and substantial holdings and takeovers, under New Zealand law

(a) Transactions requiring shareholder approval

The principal transactions or actions requiring shareholder approval under the Companies Act include the following: altering the constitution of the company, appointing or removing a director or auditor, major transactions (being the acquisition or disposition of assets the value of which is more than half the value of the company's assets prior to the transaction), amalgamations, putting the company into liquidation and changes to the rights attached to shares. These are broadly comparable to the transactions for which shareholder approval is required under the Corporations Act. However, the Corporations Act also requires shareholder approval for certain transactions affecting share capital (e.g. share buybacks and share capital reductions) and there is no shareholder approval requirement for 'major transactions' under the Corporations Act (although certain related party transactions, in certain circumstances, require shareholder approval).

The matters requiring shareholder approval under the NZX Listing Rules and the Companies Act are broadly similar to those under the ASX Listing Rules. However, the NZX Listing Rules and the Companies Act require shareholder approval in certain circumstances for the provision of financial assistance for the purpose of, or in connection with, the acquisition of shares in the Company. The NZX Listing Rules do not require shareholder approval if a company proposes to make a significant change to the nature or scale of its activities or proposes to dispose of its main undertaking, as the ASX Listing Rules require, but the Companies Act does require shareholder approval for major transactions.

(b) Shareholders' right to request a meeting

The rights of shareholders to request a meeting under the Companies Act (shareholders holding shares

carrying at least 5% of the voting rights may make such a request) are comparable to such rights under the Corporations Act. The Corporations Act also requires the board to call a general meeting on the request of at least 100 shareholders who are entitled to vote at a general meeting and shareholders with at least 5% of the votes that may be cast at the general meeting may also call and arrange to hold a general meeting at their own expense.

(c) Appointment of proxies

Shareholders have the right to appoint a proxy to attend and vote at meetings on their behalf under the Companies Act and the Corporations Act.

(d) Changing rights attaching to shares

The Companies Act provides that a company must not take action that affects the rights attached to shares unless that action has been approved by a special resolution of each affected interest group. An 'interest group' in relation to an action or proposal affecting the rights attached to shares means a group of shareholders whose affected rights are identical and whose rights are affected by the action or proposal in the same way and who comprise the holders of one or more classes of shares in the company. Under the Corporations Act, if a company's constitution does not set out a procedure for varying or cancelling rights attached to shares in a certain asset class, such rights may only be varied or cancelled by special resolution of the members of that class or with written consent of members with at least 75% of the votes in that class.

(e) Relief from oppressive conduct

Under the Companies Act, a shareholder or former shareholder of a company (or any other entitled person) who considers that the affairs of a company have been (or are being, or are likely to be) oppressive, unfairly discriminatory, or unfairly prejudicial to him or her, in any capacity, may apply to the court for relief. The court may, if it thinks it is just and equitable to do so, make such orders as it thinks fit. Shareholders also have statutory remedies under the Corporations Act for oppressive or unfair conduct of the company's affairs and the court can make orders as it considers appropriate.

(f) Legal proceedings on behalf of the company

Under the Companies Act, a court may, on application of a shareholder or director of a company, grant leave to that shareholder or director to bring proceedings in the name and on behalf of the company or any related company, or intervene in proceedings to which the company or any related company is a party, for the purpose of continuing, defending or discontinuing the proceedings on behalf of the company or related company.

Leave may only be granted if the court is satisfied that either the company or related company does not intend to bring, diligently continue or defend, or discontinue the proceedings, or it is in the interests of the company or related company that the conduct of the proceedings should not be left to the directors or to the determination of the shareholders as a whole. No proceedings brought by a shareholder or director or in which a shareholder or director intervenes with leave of the court (as

described above) may be settled or compromised or discontinued without the approval of the court.

The position is broadly comparable under the Corporations Act.

(g) 'Two strikes' equivalent

There is no equivalent of a 'two strikes' rule in relation to remuneration reports in New Zealand. New Zealand companies are not required to publish remuneration reports so shareholders cannot vote on them. There is, however, an obligation to state in the company's annual report, in respect of each director or former director of the company, the total of the remuneration and the value of other benefits received by that director or former director from the company during the relevant accounting period and, in respect of employees or former employees of the company who received remuneration and any other benefits in their capacity as employees during the relevant accounting period, the value of which was or exceeded NZ\$100,000 per annum, the number of such employees, stated in bands of NZ\$10,000.

(h) Takeovers

The New Zealand position on the Takeovers Code and Financial Markets Conduct Act is broadly comparable to the Australian position in relation to the regulation of takeovers. A 20% threshold applies (under which a person is prevented from increasing the percentage of voting rights held or controlled by them in excess of that threshold or from becoming the holder or controller of an increased percentage of voting rights if they already hold or control more than 20% of the voting rights), subject to certain 'compliance options' (including full and partial offers, 5% creep over 12 months in the 50% to 90% range, and acquisitions with shareholder approval). Compulsory acquisitions are permitted by persons who hold or control 90% or more of voting rights in a company.

(i) Substantial holdings

The Financial Markets Conduct Act includes substantial holder disclosure requirements for persons with a 5% or more holding in a New Zealand listed company. These requirements are similar to those under the Corporations Act. However, the Financial Markets Conduct Act requirements are not applicable to the Company because the Company will not be listed on a New Zealand exchange, and the Corporations Act disclosure requirements will apply. Shareholders holding more than 5% of the Company's issued share capital will need to lodge a substantial shareholder notice with the Company and ASX.

Note: Where it is noted that New Zealand law contains comparable provisions to those existing under Australian law, and vice versa, it is emphasised that the summary only provides general guidance, and the detailed provisions may contain differences and may also be subject to differing interpretation by Australian and New Zealand courts and are subject to change by relevant legislatures and other authorities.

14.4 CURRENT CAPITAL STRUCTURE

14.4.1 General

The issued capital of the Company as at the date of this Prospectus is set out in the figure below:

| Class of Security | Number |
|---|--------------------|
| Ordinary Shares | 277,963,494 |
| NZ\$1.35 (NZ\$0.18, post subdivision) Options | 28,592,401 |
| NZ\$1.65 (NZ\$0.22, post subdivision) Options | 14,296,186 |
| ESOP Options | 1,875,882 |
| Total Options | 44,764,469 |

Figure 21: Current Capital Structure

- See Section 14.12 for details regarding the Company possibly issuing further Options to an Existing Shareholder at a time following Completion of the Offer, which if exercised, would ultimately alter the number of Shares on issue.
- None of these Options have been exercised.

14.4.2 ASX Waiver

The Company has been granted a waiver from ASX Listing Rule 1.1, Condition 11, in respect of Options with a stated exercise price of NZ\$0.18 issued by the Company prior to the date of this Prospectus. The effect of this waiver is that such Options may continue on their current price terms notwithstanding that they have an exercise price of less than A\$0.20. Furthermore, the Company has been granted a waiver in relation to all of the Options issued prior to the date of this Prospectus, such that the non-price terms of those Options may remain unchanged notwithstanding that they may not be in strict compliance with a number of provisions in Chapter 6 of the ASX Listing Rules.

14.5 CAPITAL STRUCTURE FOLLOWING THE OFFER

14.5.1 Capital Structure Post-Offer Completion

As at the Allotment Date, the issued share capital of the Company will comprise the following:

| Class of Security | Number of Securities based on Minimum Subscription | Number of Securities based on Maximum Subscription |
|------------------------|--|--|
| Ordinary Shares | 352,963,494 | 402,963,494 |
| Pre-IPO Options | 44,764,469 | 44,764,469 |
| Options issued at IPO | 8,750,000 | 8,750,000 |
| Total Options | 53,514,469 | 53,514,469 |

Figure 22: Capital structure post-Offer Completion

- See Section 14.12 for details regarding the Company possibly issuing further Options to an Existing Shareholder at a time following Completion of the Offer.

14.6 RIGHTS AND LIABILITIES ATTACHING TO SHARES

All Shares issued in the Company to date are fully paid ordinary Shares in the capital of the Company.

Shares to be issued pursuant to this Prospectus will be fully paid ordinary Shares in the capital of the Company and will rank equally with all other issued Shares.

The rights attaching to Shares are detailed in the Company's Constitution which may be inspected during normal business hours at the Company's registered office or on the website of the NZ Companies Office. The following is a summary of the material provisions of the Constitution and the privileges and restrictions attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

14.6.1 Voting

Subject to any restriction on voting imposed by the Constitution, the Companies Act and the ASX Listing Rules, every Shareholder present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a show of hands and, on a poll, one vote for every Share held. A poll may be demanded by the chairperson of the meeting, any five Shareholders present (or their proxy, attorney or representative) entitled to vote on the resolution, a Shareholder or Shareholders present who together hold at least 10% of the votes that may be cast on the resolution on a poll, or a Shareholder or Shareholders holding voting Shares on which the aggregate amount paid up is at least 10% of the total amount paid up on the Shares that confer that right.

14.6.2 General Meetings

Each Shareholder is entitled to receive the amount of notice required by the Companies Act for general meetings of the Company.

14.6.3 Dividends

Dividends may be declared by the Directors by resolution of the Directors.

14.6.4 Transfer of Shares

A Shareholder may transfer Shares by a proper transfer made in accordance with any computerised or electronic system for market settlement, securities transfer and registration under a system of transfer approved under section 376 of the Financial Markets Conduct Act which is applicable to the Company or conducted in accordance with the Companies Act and established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in any usual form or any other form approved by the Directors. The Directors may refuse to register a transfer of Shares where the Shares are not quoted by ASX or where the refusal to register the transfer is permitted under the ASX Listing Rules.

14.6.5 Issue of Shares

The Directors may, under the Companies Act, the ASX Listing Rules and the Constitution, issue or allot further Shares or any other form of security in the Company, or grant options over Shares in the

Company to any person on the terms and at the times the Directors deem fit. Any further Shares issued by the Company may have preferred, deferred or other special rights or special restrictions in relation to dividends, voting, return of capital or otherwise as the Directors deem fit.

14.6.6 Winding Up

Subject to any special or preferential rights attaching to any class or classes of Shares, on a winding up of the Company a liquidator may, with the authority of a special resolution of the Shareholders, divide among the Shareholders the whole or any part of the Company's assets and, for that purpose, determine how he or she will carry out the division between the different classes of Shareholders, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability. The liquidator may, with the sanction of a special resolution of the Shareholders, vest the whole or any part of the assets in trust for the benefit of contributories as the liquidator thinks fit.

14.6.7 Shareholder Liability

Fully paid Shares are not subject to any call for money by the Directors and will therefore not become liable for forfeiture. However, partly paid Shares are subject to calls on the holders by Directors for any money unpaid on them. Subject to the ASX Listing Rules, the Company has a lien on every partly paid Share and dividends payable in respect of such Shares. Partly paid Shares may be forfeited for failure to pay the unpaid amount.

14.6.8 ASX Listing Rules

On admission to the Official List, notwithstanding anything in the Constitution, if the ASX Listing rules prohibit an act being done, the act must not be done. If the ASX Listing Rules require an act to be done or not to be done, and if a provision is required in the Constitution by the ASX Listing Rules the Constitution will be treated as containing that provision. If any provision of the Constitution becomes inconsistent with the ASX Listing Rules, the Constitution will be treated as not containing that provision to the extent of the inconsistency.

14.6.9 Directors

The number of Directors of the Company is to be not less than three but no more than ten. Subject to the Companies Act, the Company may by resolution passed at general meeting increase the minimum number of Directors or increase or reduce the maximum number of Directors.

The Directors are entitled to be remunerated for their services as Directors and the total amount or value of the remuneration must not exceed, for non-executive Directors, an aggregate maximum of a A\$500,000 per annum or such other amount determined by the Company at general meeting from time to time. This amount does not include the remuneration payable to any Executive Director.

The remuneration of Executive Directors will be fixed by the Directors and may be paid by way of salary, commission or participation in profits by all or any of these modes but may not be by commission on, or percentage of, operating revenue.

The Company may remunerate a Director in addition to the above amount (as determined by the Directors) if the Director performs additional or special duties for the Company at the request of the Directors.

A Director is not required to hold any Shares in the Company.

The quorum for a meeting of Directors is three Directors.

At every annual general meeting one third of the Directors must retire from office. A Director must retire from office at the conclusion of the third annual general meeting after which the Director was elected or re-elected.

14.6.10 Director's Indemnity

Each Director of the Company is entitled to be indemnified out of the Company's property for any liability incurred by the person in that capacity and reasonable legal costs incurred in connection with proceedings in which the person becomes involved because of that capacity.

14.7 INTELLECTUAL PROPERTY

Members of the 9 Spokes Group hold a number of Intellectual Property Rights.

14.7.1 Registered Business Names

No registered business names are held by any member of the 9 Spokes Group. New Zealand does not have a register of business names.

14.7.2 Trademarks

In New Zealand, the Company holds the following trademarks:

| Registered No | Description | Class |
|---------------|--------------------------------------|-----------|
| 991874 | NINE SPOKES / 9 SPOKES (word series) | 9, 35, 42 |
| 994887 | 9 (logo) | 9, 35, 42 |
| 1000320 | NINE SPOKES (logo series) | 9, 35, 42 |
| 1000321 | ALL TOGETHER BETTER (word) | 9, 35, 42 |

In Australia, the Company holds the following trademarks:

| Registered No | Description | Class |
|---------------|-----------------------------|-----------|
| 1638207 | 9 SPOKES (word) | 9, 35, 42 |
| 1638208 | NINE SPOKES (word) | 9, 35, 42 |
| 1675352 | 9 NINE SPOKES (logo series) | 9, 35, 42 |
| 1675353 | 9 (logo) | 9, 35, 42 |
| 1675354 | ALL TOGETHER BETTER (word) | 9, 35, 42 |

In the United Kingdom, the Company holds the following trademarks:

| Registered No | Description | Class |
|---------------|----------------------------|-----------|
| 3077000 | 9 SPOKES (word series) | 9, 35, 42 |
| 3077005 | NINE SPOKES (logo series) | 9, 35, 42 |
| 3094983 | 9 (logo) | 9, 35, 42 |
| 3107056 | ALL TOGETHER BETTER (logo) | 9, 35, 42 |

14.7.3 Domain Names

The following domain names relate to the 9 Spokes Group and are held either by the Company, or in the case of the “.com.au” domains, on the Company’s behalf:

Domain Name

sassfeeds.com

9spokesvision.com

saas2saas.com

ninespokes.com.au

9spokes.com.au

b2littleb.com.au

ninespokes.co.uk

b2littleb.co.uk

ninespokes.net

9spokes.net

9spokes.eu

ninespokes.eu

9spokes.co.nz

ninespokes.co.nz

b2littleb.co.nz

saas2saas.co.nz

9spokes.nz

ninespokes.nz

sass2sass.io

9spokes.io

9spokes.mobi

ninespokes.mobi

9spokes.asia

ninespokes.asia

9spokes.kiwi

ninespokes.co

9spokes.co

b2littleb.co

14.7.4 Patents

9 Spokes Knowledge Limited has been assigned rights in relation to a PCT patent application regarding the following invention: “Methods and Systems for Use in Monitoring the Operations of a Business”. There is no guarantee that the patent application will be successful.

14.7.5 Copyright

Intellectual property rights belonging to the 9 Spokes Group in relation to the 9 Spokes System or 9 Spokes Platform are subject to copyright law and therefore not registrable in either Australia, New Zealand or the United Kingdom.

14.8 DEEDS OF INDEMNITY AND ACCESS

The Company has entered into deeds of indemnity (**Deeds**) with each Director which confirms each Director’s right of access to certain books and records of the Company.

Under the Deeds, the Company indemnifies each Director against (i) any costs incurred by the Director in any proceeding that relates to liability for any act or omission made by the Director as an officer of the Company or a “Related Company” (as that term is defined in the Deeds) and in which judgment is given in the Director’s favour or in which the Director is acquitted or which is discontinued; (ii) any liability to any third party for any act or omission by the Director as an officer of the Company or a “Related Company” (as that term is defined in the Deeds); and (iii) any costs incurred by the Director in defending or settling any claim or proceeding to any costs or liability of the nature referred to in (ii).

The Deeds do not specify any limitations to the indemnity as to the amounts payable or the period during which claims can be made, but the indemnities are stated to be given only to the extent permitted by law.

14.9 COSTS OF THE OFFER

The total costs of the Offer are estimated to be A\$1,797,520 under the Minimum Subscription and A \$2,510,520 under the Maximum Subscription and are expected to be applied towards the items set out in the table below:

| Item of Expenditure | Minimum Subscription (A\$15,000,000) | Maximum Subscription (A\$25,000,000) |
|--|---|---|
| | A\$ | A\$ |
| ASIC Lodgement Fee | \$2,320 | \$2,320 |
| ASX Listing fees | \$117,000 | \$130,000 |
| Investigating Accountant's Report | \$100,000 | \$100,000 |
| Other Accounting and Audit | \$25,000 | \$25,000 |
| Legal Fees | \$375,000 | \$375,000 |
| Corporate advisory | \$30,000 | \$30,000 |
| Offer management & Broker fees / commissions | \$1,050,000 | \$1,750,000 |
| Share registry costs | \$10,000 | \$10,000 |
| Printing and distribution | \$32,200 | \$32,200 |
| Roadshows and other miscellaneous | \$56,000 | \$56,000 |
| TOTAL | A\$1,797,520 | A\$2,510,520 |
| New Zealand Dollar Equivalent | NZ\$1,977,272 | NZ\$2,761,572 |

Figure 23: Costs of the Offer

- An exchange rate of A\$1 to NZ \$1.10 has been applied for the translation of the costs of the Offer.

14.10 INTERESTS OF ADVISORS

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus has, or had within the two years before lodgement of this Prospectus with ASIC, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- the Offer.

No amount has been paid, or agreed to be paid, and no benefit has been given, or agreed to be given, to any such person in connection with the services provided by the person in connection with the formation or promotion of the Company or the Offer except as set out below:

- Bird & Bird has acted as Australian lawyers to the Company in relation to the Offer and the Company has agreed to pay approximately \$280,000 (exclusive of GST and disbursements) for these services up to the date of this Prospectus. Subsequently, fees will be paid in accordance with normal hourly charge out rates.
- Simmonds Stewart has acted as New Zealand lawyers to the Company in relation to the Offer and the Company has agreed to pay approximately \$60,000 (exclusive of GST and disbursements) for these services up to the date of this Prospectus. Subsequently, fees will be paid in accordance with normal hourly charge out rates.
- PricewaterhouseCoopers Securities Ltd (Australia) has acted as Investigating Accountant and has prepared the Independent Accountant's Report contained in this Prospectus. The Company estimates that it will pay the Investigating Accountant approximately \$100,000 (excluding GST and disbursements) for the provision of these services. Subsequent fees will be charged in accordance with normal charge out rates.
- PricewaterhouseCoopers New Zealand has provided audit and other IPO-related services to the Company with respect to the year ended 31 March 2016. The Company has paid, or agreed to pay, approximately \$25,000 (excluding GST and disbursements) for these services.
- Foster Stockbroking Pty Ltd has acted as the Lead Manager in relation to the Offer. Details of the fee payable to Foster Stockbroking Pty Ltd are summarised in section 12.
- First NZ Capital Securities Limited has also provided services in relation to the Offer. Details of the fee payable to First NZ are summarised in section 12. First NZ and certain employees of its affiliate also hold Shares and Options, independently of any Options First NZ may be transferred by Foster Stockbroking for services provided in relation to the Offer.
- CSB Partners Limited has also provided corporate advisory services in relation to the Offer. Details of the fee payable to CSB Partners Limited are summarised in Section 12.

- Capital Advisory Partners New Zealand Limited has provided fundraising services to the Company within the period of two years prior to the Offer. Fees paid to Capital Advisory Partners New Zealand Limited include cash of NZ\$19,814 and the issue of 115,704 Shares and 50,556 Options. Capital Advisory Partners New Zealand Limited has also acquired Shares and Options independently of the services it has provided.
- NWR Communications (No 2) Pty Ltd has provided media and investor relations services in relation to the Offer. Details of the fee payable to NWR Communications (No 2 Pty Ltd) are summarised in section 12.
- Boardroom Pty Limited has been appointed as the Share Registry to the Company and will be paid for these services on normal commercial terms.

14.11 CONSENTS

Each of the parties who are named below:

- has not made any statement that is included in this Prospectus, or any statement on which a statement is made in this Prospectus is based, other than as specified in this section;
- has not authorised or caused the issue of any part of this Prospectus; and
- makes no representations or warranty, express or implied, as to the fairness, accuracy or completeness of information contained in this Prospectus;

and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements made in, or omissions from, this Prospectus, other than as specified in this section, and excludes and disclaims all liability for any damage, loss (including direct, indirect or consequential loss), cost or expense that may be incurred by an investor as a result of this Prospectus being inaccurate or incomplete in any way or for any reason:

- Bird & Bird has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Australian legal advisor to the Company in relation to the Offer in the form and context in which it is named;
- Simmonds Stewart has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the New Zealand legal advisor to the Company in relation to the Offer in the form and context in which it is named;
- PricewaterhouseCoopers Securities Ltd has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Investigating Accountant to the Company and its written consent to the inclusion in this Prospectus of its Investigating Accountants' Report and to all statements referring to that report, in the form and context in which it is named;
- PricewaterhouseCoopers New Zealand has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the auditor and

provider of accounting services to the Company, in the form and context in which it is named;

- Foster Stockbroking Pty Ltd has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Lead Manager to the Offer, in the form and context in which it is named;
- First NZ Capital Securities Limited has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as a corporate adviser in relation to the Offer, in the form and context in which it is named;
- Boardroom Pty Limited has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Share Registry to the Company, in the form and context in which it is named;
- Barclays Bank PLC has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in the form and context in which it is named;
- CSB Partners Limited has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in the form and context in which it is named;
- Capital Advisory Partners New Zealand Limited has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in the form and context in which it is named;
- NWR Communications (No 2) Pty Ltd has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in the form and context in which it is named;
- Deloitte Services Pty Ltd has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in the form and context in which it is named;
- Suncorp Corporate Services Pty Ltd has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in the form and context in which it is named;
- IBM New Zealand Limited has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in the form and context in which it is named;
- Umbrellar Limited has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in the form and context in which it is named;
- 9 Spokes Australia Pty Limited has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in the form and context in which it is named; and
- Adrian Grant has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in the form and context in which it is named.

14.12 REFERENCES TO PUBLICATIONS

References are made in this Prospectus to material that is attributed to Gartner, Inc. and North Bridge Venture Partners. These references are based on statements already published in public official documents or a book, journal, publicly accessible website or comparable publication. Those organisations did not prepare those materials specifically for this Prospectus and have had no involvement in the preparation of any part of this Prospectus.

14.13 LITIGATION AND CLAIMS

Except to the extent as noted in this section, to the knowledge of the Directors, there is no material current, pending or threatened litigation with which the Company is directly or indirectly involved.

The Company is aware that an Existing Shareholder has made a claim regarding his or her entitlement to acquire further Options. That Existing Shareholder currently holds 2,335,000 Shares and 700,500 Options. The Company is currently assessing the merit of that claim in good faith. On the basis that this claim is assessed to have merit, the Company may promptly thereafter issue up to 2,942,100 new Options with an exercise price of \$0.20 to that Existing Shareholder to resolve his or her claim. Under a Minimum Subscription scenario, and assuming that 2,942,100 new Options are issued to the Existing Shareholder, and that the Existing Shareholder exercises such Options (and the Options already held), he or she would hold 1.69% of the total Shares on issue under that scenario. Under a Maximum Subscription scenario, and assuming that 2,942,100 new Options are issued to the Existing Shareholder, and that the Existing Shareholder exercises such Options, (and the Options already held), he or she would hold 1.48% of the total Shares on issue under that scenario.

14.14 INVESTOR CONSIDERATIONS

Before deciding to participate in this Offer, you should consider whether the Securities to be issued are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of Shares listed on the ASX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, lawyer, accountant or other professional advisor.

The potential tax effects relating to the Offer will vary between Investors. Investors are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax advisor.

14.15 WORKING CAPITAL STATEMENT

The Directors believe that, on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.

14.16 GOVERNING LAW

This Prospectus, the Offer and the contracts formed on acceptance of Applications under the Offer are governed

by the laws in force in the State of New South Wales, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

14.17 FOREIGN SELLING RESTRICTIONS

14.17.1 General

No action has been taken to register or qualify the Shares that are the subject of the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia and New Zealand. The Offer is not an offer or invitation in any jurisdiction where, or to any person to whom, such an offer or invitation would be unlawful.

14.17.2 United States of America

This Prospectus has been prepared for publication in Australia and may not be released or distributed in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Prospectus have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

14.17.3 Other Jurisdictions

The Offer Shares may not be offered or sold in any other jurisdiction outside Australia and New Zealand except to persons to whom such offer or sale is permitted under applicable law.

14.18 STATEMENT OF DIRECTORS

Each Director has authorised the issue of this Prospectus and consented, and has not withdrawn their consent, to the lodgement of this Prospectus with ASIC.

The Directors state that:

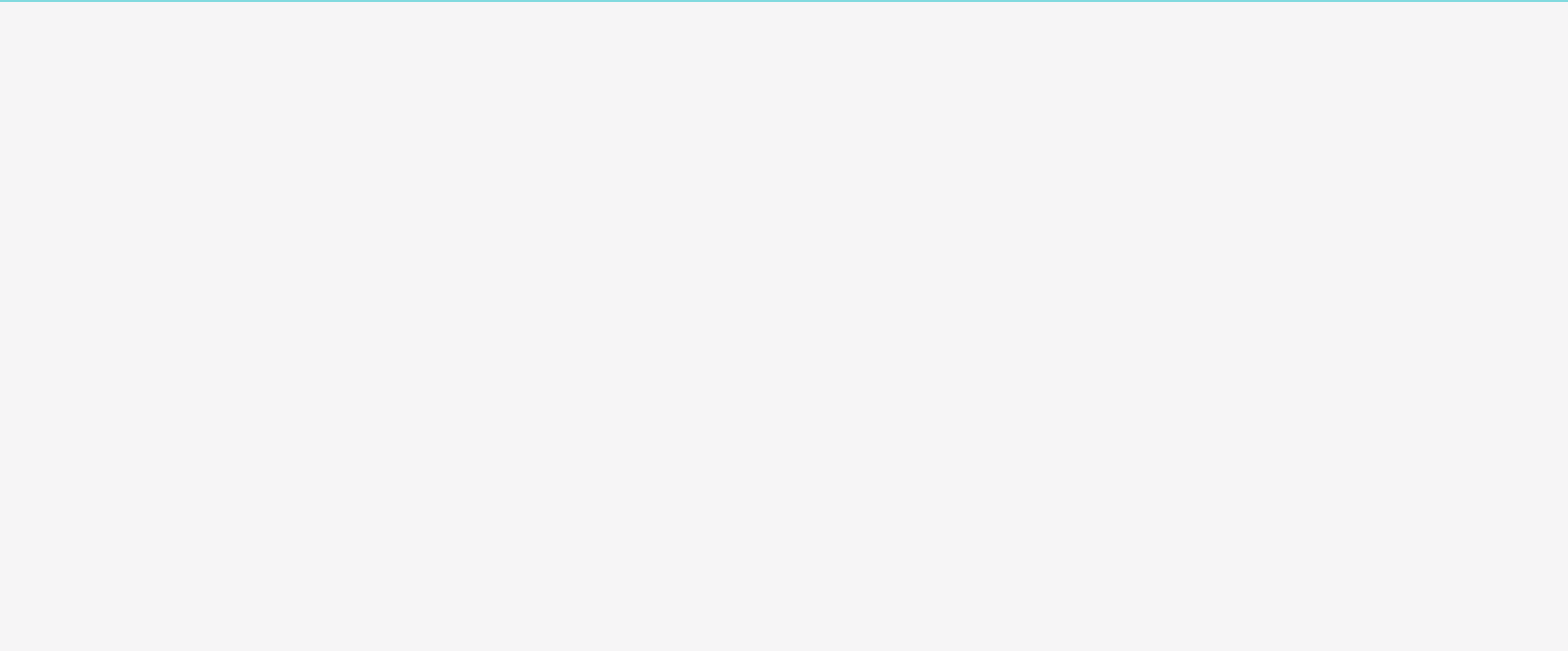
- (a) they have made all reasonable enquiries and, on that basis, have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive; and
- (b) in respect of any other statements made in this Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and, on that basis, have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and those persons have not withdrawn their consent before lodgement of this Prospectus with ASIC, or to the Directors knowledge, before any issue of Shares pursuant to this Prospectus.

Date: 17 May 2016

Signed for and on behalf of **9 Spokes International Limited** by:



Mark Estall
Director



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GLOSSARY



15

GLOSSARY

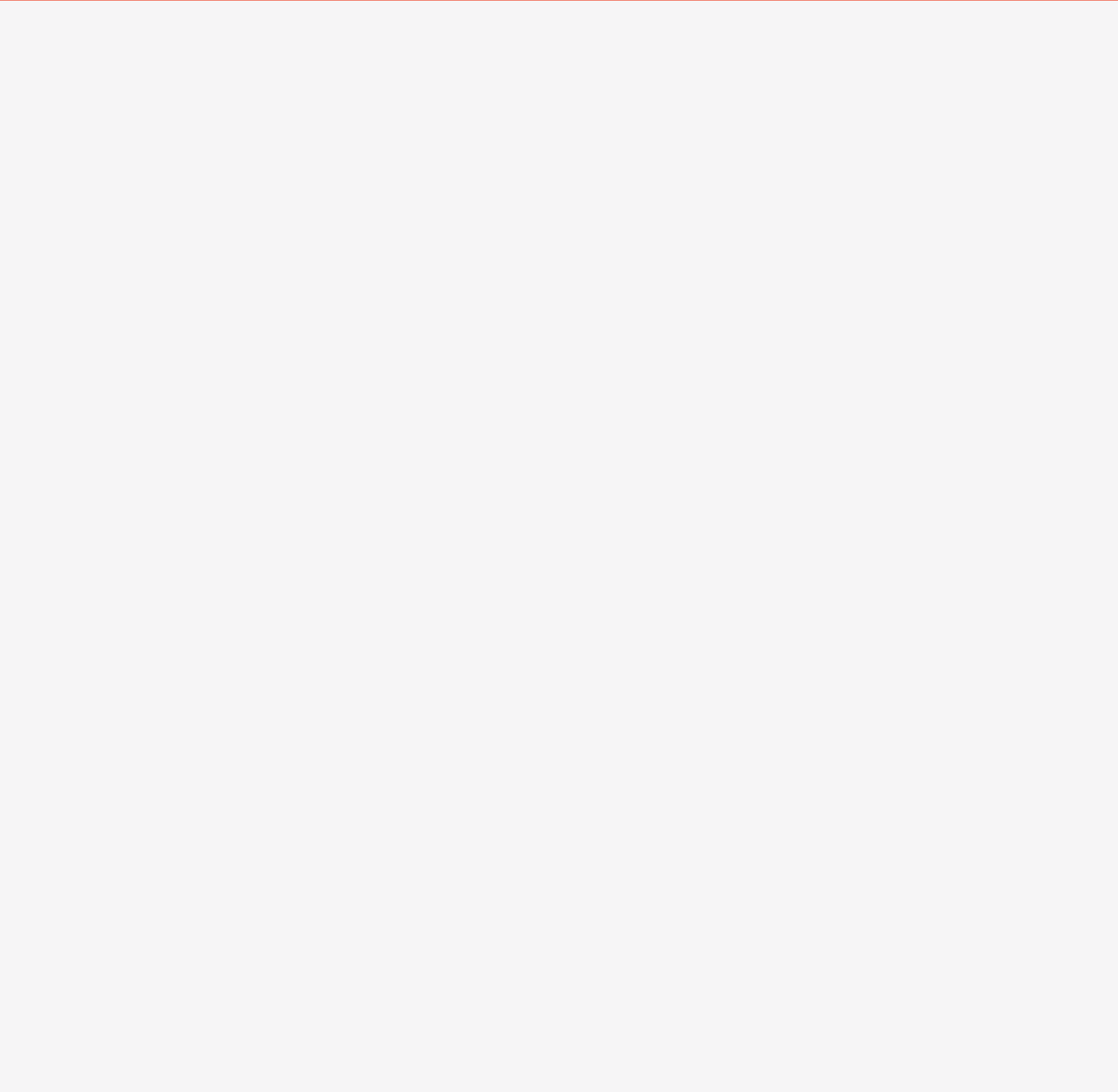
The following terms used in this Prospectus have the following meanings unless the context otherwise requires:

| Term | Definition |
|--|---|
| 9 Spokes Dashboard or Dashboard | A collection of End User selected Widgets displayed to the End User from the Portal |
| 9 Spokes Direct | The standard 9 Spokes Platform and not a Channel Partner branded instance of the 9 Spokes Platform |
| 9 Spokes Group | The Company 9 Spokes Australia Pty Ltd ACN 169 029 001 9 Spokes UK Limited (UK Company No. 09924541) 9 Spokes Nominee No. 1 Limited (NZ Company No. 5499826) 9 Spokes Knowledge Limited (NZ Company No. 5694360) 9 Spokes Trustee Limited (NZ Company No. 5746714) |
| 9 Spokes Platform or Platform | The combination of hardware and the 9 Spokes System developed, operated and maintained by the Company to perform all of the functions made available by the Company to Customers |
| 9 Spokes Portal or Portal | The End User connection point for the 9 Spokes Platform |
| 9 Spokes Service | The provision of access to the 9 Spokes Platform to Customers over the internet |
| 9 Spokes System | The software developed, operated and maintained by the Company to perform all of the functions made available by 9 Spokes to Customers |
| AEST | Australian Eastern Standard Time |
| Allotment Date | The date the Company anticipates the Shares will be allotted and issued to Applicants |
| API | A set of routines, protocols and tools for communication between computer software systems |
| App | Any internet accessible software service made available by a third party from which App Data may be extracted by the 9 Spokes Platform |
| App Data | Any data extracted directly from an App |
| Applicant | A person who makes an Application for Shares under this Prospectus |
| Application | An application to subscribe for Shares under this Prospectus |

| | |
|---|--|
| Application Form | An application form attached to or accompanying this Prospectus (including the electronic form provided by an online application facility) |
| Application Amount or Application Monies | The relevant amount accompanying an Application Form submitted by an Applicant |
| ARBN | Australian Registered Business Number |
| ASIC | Australian Securities and Investments Commission |
| ASX or Australian Securities Exchange | ASX Limited ACN 008 624 691 or the financial market it operates, as the context requires |
| ASX Listing Rules or Listing Rules | The official Listing rules of ASX as amended or waived from time to time |
| ASX Recommendations | The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition) |
| ASX Settlement | ASX Settlement Pty Limited ABN 49 008 504 532 |
| ASX Settlement Operating Rules | The operating rules of ASX Settlement as amended from time to time, except to the extent of any express written waiver by ASX Settlement |
| AUD\$ / A\$ | Australian dollars |
| Auditor | PricewaterhouseCoopers New Zealand |
| Barclays | Barclays Bank PLC |
| Barclays Agreement | Agreement with Barclays Bank PLC as described in Section 12 |
| Billing OSP | An OSP that has formed a commercial agreement with the Company to make their Apps or services available for purchase on the 9 Spokes Platform |
| Board or Board of Directors | The board of Directors of the Company |
| Business Service Partner or BSP | Third party business advisors, specialist support partners and technical advisors who may provide services to Customers and End Users in relation to transitioning their business to the "cloud" |
| Channel Partner | A licensee of the 9 Spokes System for which an instance of the 9 Spokes Platform branded in accordance with the requirements of the channel customer is supplied by the Company to the licensee |
| CIS Data | Anonymised App Data processed and stored by the 9 Spokes System |
| Closing Date | 5.00pm AEST on 26 May 2016, unless extended |
| Companies Act | <i>Companies Act 1993</i> (NZ) as amended from time to time |
| Community Information Store | The database of CIS Data |
| Company | 9 Spokes International Limited, a company registered and incorporated in New Zealand with company number 3538758 (ARBN 610 518 075) |
| Company Personnel | Has the meaning given to it in Section 9.6.2 |
| Completion of the Offer | The completion of the Offer, being the date upon which Shares are issued or transferred to successful Applicants in accordance with the terms of the Offer |
| Connector | A software facility which makes App Data accessible by the 9 Spokes Platform through an API |
| Constitution | The constitution of the Company |
| CP Customer | A Customer who is registered on a Channel Partner branded 9 Spokes Platform |
| Corporations Act | <i>Corporations Act 2001</i> (Cth) (Australia) as amended from time to time |
| Customer | A business which has been authorised to use the 9 Spokes Platform (including where the context requires, a CP Customer) |
| Current ESOP | The Company's Employee Share Option Plan effective from 10 May 2016 |

| | |
|--|--|
| Deloitte | Deloitte Services Pty Limited |
| Deloitte Alliance Agreement | Agreement with Deloitte as described in Section 12 |
| Director | A director of the Company |
| End User or User | The person operating the 9 Spokes Platform |
| Existing Shares | The Shares held by Existing Shareholders as at the Prospectus Date |
| Existing Shareholders | The existing shareholders in the Company as at the date of the Prospectus as shown in Section 11.8 |
| Exposure Period | Has the meaning given to that expression in Section 1 of this Prospectus |
| Financial Markets Conduct Act or FMCA | <i>Financial Markets Conduct Act 2014</i> (NZ) as amended from time to time |
| Financial Markets Conduct Regulations | <i>Financial Markets Conduct Regulations 2014</i> (NZ) as amended from time to time |
| Gartner Report | Forecast Analysis: Public Cloud Services, Worldwide, 1Q16 update, published by Gartner, INC. on 2 May 2016 |
| Holding Company | Has the meaning given to that expression in section 5(2) of the Companies Act, but read as if the expression “company” in that section included any body corporate of any jurisdiction |
| IFRS | The International Financial Reporting Standards |
| Intellectual Property Rights | All intellectual property rights, including without limitation patents, copyright, rights in circuit layouts, registered designs, trade marks, and any application or right to apply for registration of any of those rights |
| Investigating Accountant | PricewaterhouseCoopers Securities Ltd (Australia) ACN 003 311 617 |
| IPO | Initial public offering |
| Lead Manager | Foster Stockbroking Pty Ltd ACN 088 747 148 |
| Listing | Admission of the Company to the Official List and quotation of the Shares on the ASX |
| Minimum Subscription | The Shares that may be issued under the Prospectus to raise a minimum of \$15 million |
| Maximum Subscription | The Shares that may be issued under the Prospectus to raise a maximum of \$25 million |
| New Zealand Financial Markets Authority | Financial Markets Authority established by the <i>Financial Markets Authority Act 2011</i> (NZ) |
| NZ\$ | New Zealand dollars |
| NZ Companies Office | The New Zealand government agency responsible for the administration of the register of companies |
| NZX | NZX Limited, the operator of the stock exchange in New Zealand |
| NZX Listing Rules | The official listing rules of NZX as amended or waived from time to time |
| Offer | The offer of new Shares under this Prospectus |
| Offer Period | The period during which investors may subscribe for Shares under the Offer |
| Offer Price | \$0.20 per Share |
| Official List | The Official List of the ASX |
| Official Quotation | Official quotation of securities by ASX |
| Opening Date | 18 May 2016, subject to ASIC not extending the Exposure Period beyond an initial 7 days |
| Option | An option to acquire a Share |

| | |
|---|--|
| Online Software Partner or OSP | A supplier of Apps or other independent software services that allows their Apps or services to interact with the 9 Spokes Platform pursuant to an agreement between the OSP and the Company |
| Original Prospectus | The prospectus for the initial public offering of up to 125 million Shares dated 10 May 2016, which is replaced in its entirety by this Replacement Prospectus |
| Prior ESOP | The Company's Employee Share Option Plan under which Options were issued to employees prior to 10 May 2016 |
| Privacy Act | <i>Privacy Act 1988</i> (Cth) (Australia) as amended from time to time |
| Prospectus or Replacement Prospectus | This document (including the electronic copy of this prospectus) and any supplementary or replacement prospectus in relation to this document |
| Prospectus Date | The date on which a copy of this Replacement Prospectus was lodged with ASIC, being 17 May 2016 |
| Registrar of Companies | The registrar of companies established pursuant to the Companies Act |
| SaaS | Software as a service |
| Securities | The Shares offered pursuant to this Prospectus |
| Securities Act | <i>Securities Act 1978</i> (NZ) as amended from time to time |
| Securities Regulation | <i>Securities Regulation 2009</i> (NZ) as amended from time to time |
| Share | A fully paid ordinary share in the capital of the Company |
| Share Registry | Boardroom Pty Limited ABN 14 003 209 836 |
| Shareholder | A person registered from time to time on the Company's register of Shares as a holder of one or more Shares |
| SME | Small to medium business enterprise |
| Subsidiary | Has the meaning given to that expression in section 5(1) of the Companies Act, but read as if the expression "company" in that section included any body corporate of any jurisdiction |
| Suncorp | Suncorp Corporate Services Pty Ltd |
| Suncorp Agreement | Agreement with Suncorp Corporate Services Pty Ltd |
| Takeovers Code | The New Zealand Takeovers Code Approval Order 2000 (SR2000/210) as amended from time to time |
| US Persons | The meaning given to such term by Regulation S under the <i>Securities Act (1993)</i> (US), as amended from time to time |
| Widget | A software display of App Data or CIS Data displayed to the End User on the 9 Spokes Dashboard |





**CORPORATE
DIRECTORY**

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CORPORATE DIRECTORY

Directors Paul Reynolds, Non-executive Chairman
Mark Estall, Executive Director
Thomas Power, Non-executive Director
Wendy Webb, Non-executive and Independent Director

Registered Office Level 3, 32 Market Place
Auckland Viaduct
Auckland 1010 New Zealand

Principal Place of Business Level 3, 32 Market Place
Auckland Viaduct
Auckland 1010 New Zealand

Australian Lawyers Bird & Bird
Level 11, 68 Pitt Street
Sydney NSW 2000 Australia

New Zealand Lawyers Simmonds Stewart
Level 4, 4 Vulcan Lane
Auckland 1010 New Zealand

Auditor PricewaterhouseCoopers New Zealand
188 Quay Street
Auckland 1142 New Zealand

Investigating Accountant PricewaterhouseCoopers Securities Ltd
Darling Park Tower 2, 201 Sussex Street
Sydney NSW 1171 Australia

Lead Manager Foster Stockbroking Pty Ltd
Level 25, 52 Martin Place
Sydney NSW 2000 Australia

Corporate Advisory First NZ Capital Securities Limited
Level 39, ANZ Centre
23-29 Albert Street
Auckland 1010 New Zealand

Share register Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000 Australia

Website www.9spokes.com





**APPLICATION
FORM**

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APPLICATION FORM

9 Spokes International Limited
New Zealand Company Number 3538758 (ARBN 610 518 075)

This is an Application Form for Shares in 9 Spokes International Limited (Company) under the Offer on the terms set out in the Replacement Prospectus dated 17 May 2016. Defined terms in the Replacement Prospectus have the same meaning in this Application Form. Before completing this Application Form, you should read the Replacement Prospectus and all instructions on the reverse of this form. You must apply for a minimum of 10,000 Shares (A\$2,000) and multiples of 2,000 Shares (A\$400) thereafter. This Application Form and your cheque or bank draft must be received by 5.00pm (Sydney time) on 26 May 2016.

This application form is important. If you are in doubt as to how to deal with this application form, please contact your accountant, lawyer, stockbroker or other professional adviser. Please follow the instructions to complete this application form (see reverse) and print clearly in capital letters using black or blue pen.

| | | | | |
|--|--|------------------------------|----------|-----------------------------|
| A | Number of Shares you are applying for | x A\$0.20 per Share = | B | Total amount payable |
| | | | \$ | |
| Minimum of 10,000 Shares to be applied for and thereafter in multiples of 2,000 Shares | | | | |

| | |
|----------|--|
| C | Write the name(s) you wish to register the Shares in (see reverse for instructions) |
| | Applicant #1 |
| | Name of Applicant #2 or <Account Designation> |
| | Name of Applicant #3 or <Account Designation> |

| | |
|----------|---------------------------------------|
| D | Write your postal address here |
| | Number/Street |
| | Suburb/Town |
| | State |
| | Postcode |

| | | |
|----------|---|--|
| E | CHESS participant – Holder Identification Number (HIN) | Important please note if the name and address details above in sections C and D do not match exactly with your registration details held at CHESS, any Securities issued as a result of your Application will be held on the Issuer Sponsored subregister. |
| | | |

| | |
|----------|--|
| F | Enter your Tax File Number(s), ABN, or exemption category |
| | Applicant #1 |
| | Applicant #2 |
| | Applicant #3 |

| | | | | | |
|----------|--|--|---------|-------------|-------------------|
| G | Cheque payment details – PIN CHEQUE(S) HERE Please enter details of the cheque(s) that accompany this application. | Alternatively you can apply online at www.boardroomlimited.com.au/9spokes and pay by BPAY. | | | |
| | Name of drawer of cheque | Cheque no. | BSB no. | Account no. | Cheque Amount A\$ |

| | | | |
|----------|---|----------|----------------------|
| H | Contact telephone number (daytime/work/mobile) | I | Email address |
|----------|---|----------|----------------------|

TO MEET THE REQUIREMENTS OF THE CORPORATIONS ACT 2001 (CTH), THIS APPLICATION FORM MUST NOT BE DISTRIBUTED TO ANOTHER PERSON UNLESS INCLUDED IN, OR ACCOMPANIED BY THE REPLACEMENT PROSPECTUS. A PERSON WHO GIVES ANOTHER PERSON ACCESS TO THIS APPLICATION FORM MUST, AT THE SAME TIME AND BY THE SAME MEANS, GIVE THE OTHER PERSON ACCESS TO THE REPLACEMENT PROSPECTUS. THE COMPANY WILL SEND YOU A FREE PAPER COPY OF THE REPLACEMENT PROSPECTUS IF YOU HAVE RECEIVED AN ELECTRONIC PROSPECTUS AND YOU ASK FOR A PAPER COPY BEFORE THE REPLACEMENT PROSPECTUS EXPIRES ON THE DATE THAT IS 9 JUNE 2017 IN AUSTRALIA AND 30 NOVEMBER 2016 IN NEW ZEALAND.

| DECLARATION | By submitting this Application Form with your Application Amount, I/we declare that I/we: | | | |
|--|--|---|---|--|
| <ul style="list-style-type: none"> have read the Replacement Prospectus dated 17 May 2016 in full; have read the Privacy Policy (available at www.9spokes.com/privacy) in full; have received a copy of the electronic Replacement Prospectus or a print out of it; declare that all details and statements made by me/us are complete and accurate; acknowledge that the Company will send me/us a paper copy of the Replacement Prospectus free of charge if I/We request so during the currency of the Replacement Prospectus; acknowledge that returning the Application Form with the Application Monies will constitute my/our offer to subscribe for Shares in the Company and that no notice of acceptance of the Application will be provided. | <ul style="list-style-type: none"> agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Privacy Policy (available at www.9spokes.com/privacy); where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company and have provided that individual with a copy of, or details as to where to obtain, the Privacy Policy; acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it; am/are over 18 years of age; | <ul style="list-style-type: none"> apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Replacement Prospectus); acknowledge that my/our application may be rejected by the Company in consultation with the Lead Manager in its absolute discretion; authorise the Lead Manager and the Company and their respective officers and agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated to me/us; agree to be bound by the terms and conditions set out in the Replacement Prospectus and by the Constitution of the Company; | <ul style="list-style-type: none"> acknowledge that neither the Company nor any person or entity guarantees any particular rate of return on the Shares, nor do they guarantee the repayment of capital; represent, warrant and agree that I/we am/are not in the United States or a US Person and am/are not acting for the account or benefit of a US Person; and represent, warrant and agree that I/we have not received the Replacement Prospectus outside Australia and New Zealand and am/are not acting on behalf of a person resident outside Australia and New Zealand unless the Shares may be offered in my/our jurisdiction without contravention of the security laws of the jurisdiction or any need to register the Prospectus, the Shares or the Offer. | |

GUIDE TO THE APPLICATION FORM

YOU SHOULD READ THE REPLACEMENT PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

This Application Form relates to the offer of up to 125 million fully paid ordinary shares in 9 Spokes International Limited at A\$0.20 per Share. The expiry date of the Replacement Prospectus is 9 June 2017 in Australia and 30 November 2016 in New Zealand and no Shares will be issued on the basis of this Replacement Prospectus after the expiry date in the relevant jurisdiction. The Replacement Prospectus contains information about investing in the Shares and it is advisable to read this document before applying for Shares. Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

| INSTRUCTIONS | |
|---|---|
| <p>A If applying for Shares insert the number of Shares for which you wish to subscribe at Item A (not less than 10,000 Shares and then in multiples of 2,000 Shares). Multiply by A\$0.20 to calculate the total Application Amount for Shares and enter the A\$ amount at Item B.</p> <p>C Write your full name. Initials are not acceptable for first names.</p> <p>D Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.</p> <p>E If you are sponsored in CHESS by a stockbroker or other CHESS participant you may enter your CHESS HIN if you would like the allocation to be directed to your HIN. NB: your registration details provided must match your CHESS account exactly.</p> | <p>F Enter your Australian tax file number (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.</p> <p>G Complete cheque details as requested. Make your cheque payable to "9 Spokes International Limited – Share Offer Account". Cross it and mark it 'Not negotiable'. Cheques must be in Australian currency, and cheques must be drawn on an Australian bank. Alternatively you can apply online at www.boardroomlimited.com.au/9spokes and pay by BPAY.</p> <p>H Enter your contact details so we may contact you regarding your Application Form or Application Monies.</p> <p>I Enter your email address so we may contact you regarding your Application Form or Application Amount or other correspondence.</p> |

By lodging this Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of this Replacement Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Replacement Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign or otherwise execute the Application Form.

CORRECT FORM OF REGISTRABLE TITLE. Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

| Type of Investor | Correct Form of Registrable Title | Incorrect Form of Registrable Title |
|-----------------------------|---|-------------------------------------|
| Individual | Mr John David Smith | J D Smith |
| Company | ABC Pty Ltd | ABC P/L or ABC Co |
| Joint Holdings | Mr John David Smith & Mrs Mary Jane Smith | John David & Mary Jane Smith |
| Trusts | Mr John David Smith <J D Smith Family A/C> | John Smith Family Trust |
| Deceased Estates | Mr Michael Peter Smith <Est Lte John Smith A/C> | John Smith (deceased) |
| Partnerships | Mr John David Smith & Mr Ian Lee Smith | John Smith & Son |
| Clubs/Unincorporated Bodies | Mr John David Smith <Smith Investment A/C> | Smith Investment Club |
| Superannuation Funds | John Smith Pty Limited <J Smith Super Fund A/C> | John Smith Superannuation Fund |

LOGDMENT. Mail your completed Application Form with your cheque(s) or bank draft attached to one of the following addresses:

Mailing address:

9 Spokes International Limited
C/-Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Delivery address:

9 Spokes International Limited
C/-Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000

The Offer closes at 5.00pm (Sydney time) 26 May 2016.

If you have any questions as to how to complete the Application Form, please contact Boardroom Pty Limited on 1300 737 760 within Australia and + 61 2 9290 9600 outside Australia.

Privacy – Please refer to the Replacement Prospectus for details about the collection, holding and use of your personal information. If you do not provide the information required on this Application Form, the Company may not be able to accept or process your Application.

www.9spokes.com

9 Spokes International Limited
A company registered in New Zealand
with company number 3538758
(ARBN 610 518 075)

