



# 9 SPOKES

## 9SP.ASX

**Investor Presentation**  
**7-10 February**

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Adrian Grant | Strategic Relationships, Co-founder

James Schofield | Investor Relations

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# Section overview

- 1 Introducing 9 Spokes
- 2 Scalable business model
- 3 December Quarterly Activity update
- 4 9 Spokes to enter the US market
- 5 Ability to execute
- 6 Funding



# 01 | Introducing 9 Spokes



# The 9 Spokes solution

## WORKING TODAY

### STAFF MEMBER

### START TIME

Lucy Steel

Paul Atkins

Fiona Wilson

Abby McDonald

Chris Reed

## WEBSITE TRAFFIC

### TOTAL NO.OF VISITS

1,777

### AVERAGE

6m 18s

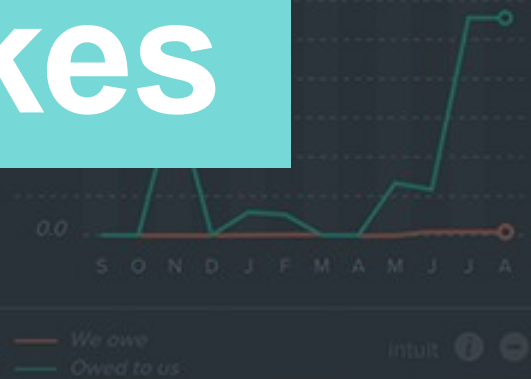
## MONEY OWED & MONEY OWING

### WE OWE

£780

### OWED TO US

£41,661



## CASH & COMMITMENTS

Cash on hand	£55,874
+ Owed to us	£33,861
- We owe	£780
- Tax	£2,405

**Total £86,550**

## FACEBOOK FOLLOWING

### FOLLOWERS

1.0k

## TOP SELLING PRODUCTS

PRODUCT	SALES	REVENUE
Flat White	20	£60
White Americano	16	£72
Croissant	8	£38
Mochaccino	5	£40

## SALES BY WEEK

WEEK TOTAL: £2,600  
WEEK LAST YEAR: £3,360

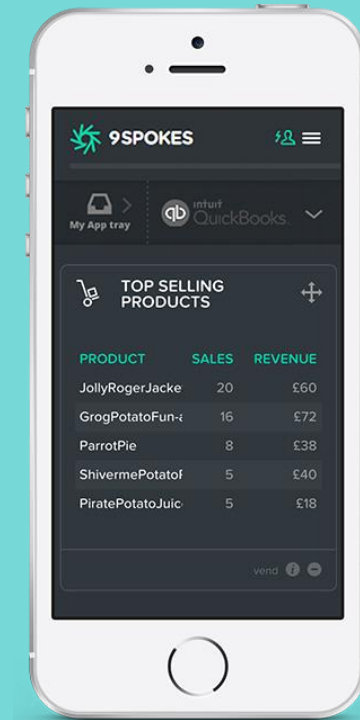
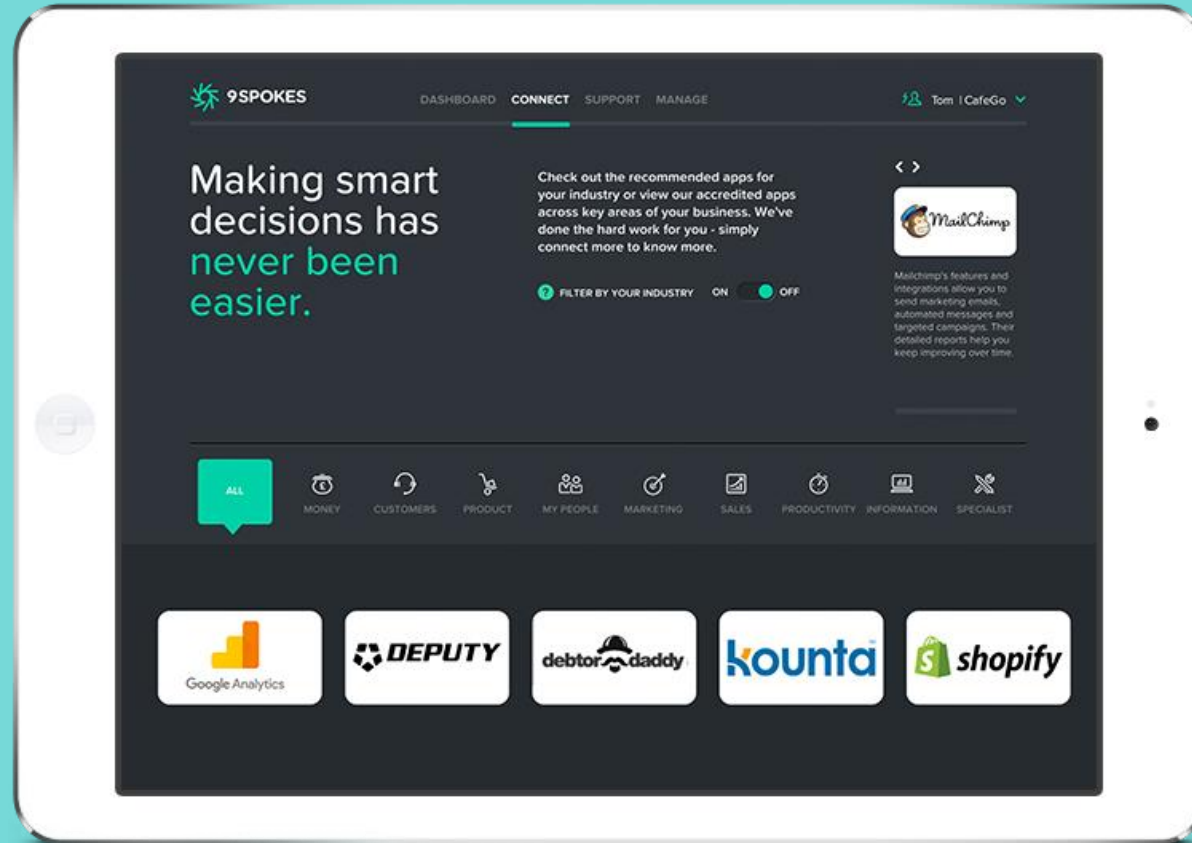


## GROSS PROFIT

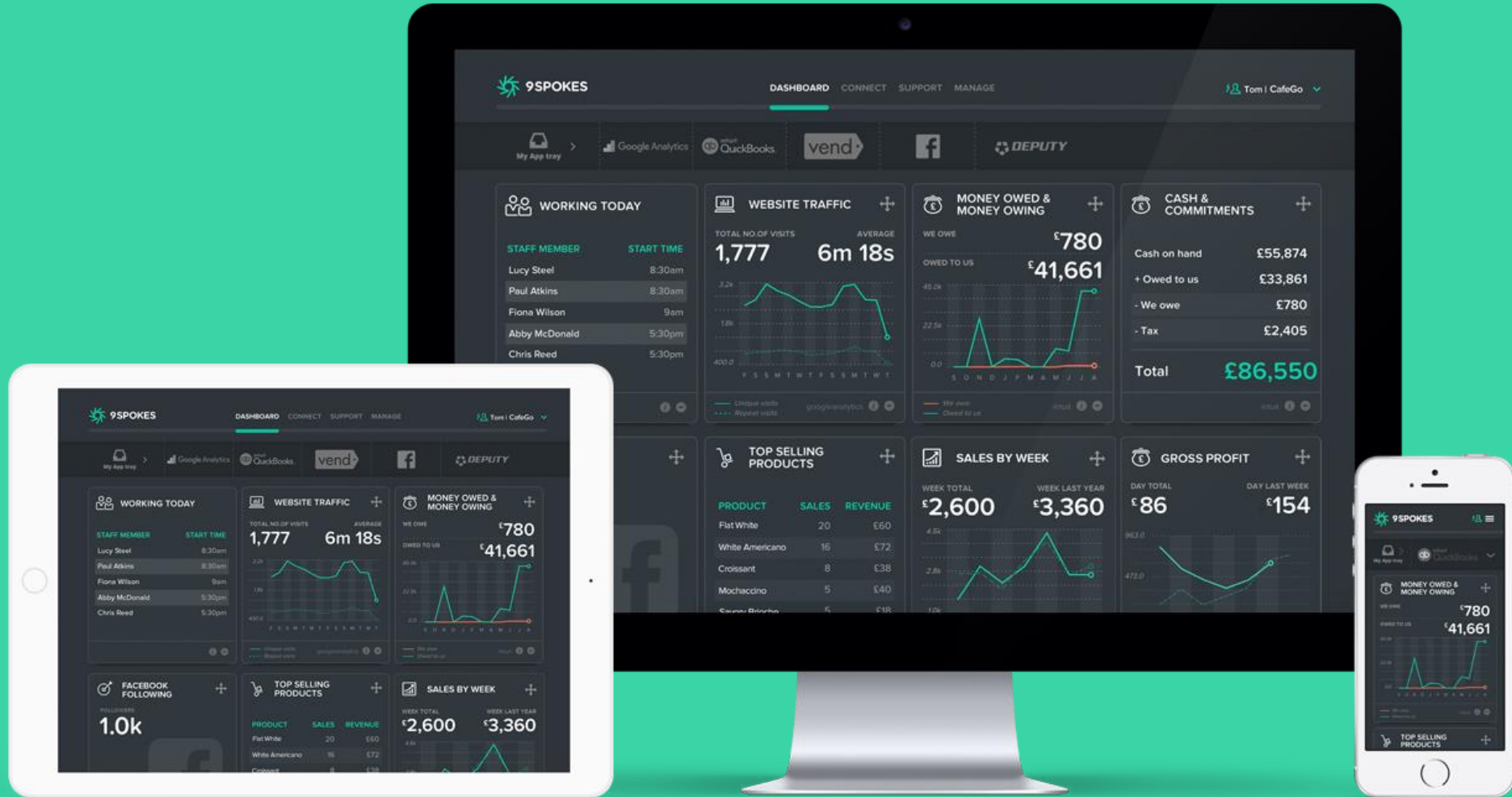
DAY TOTAL: £86  
DAY LAST WEEK: £154



# Connect apps to power your dashboard



# The smart dashboard for business clarity



# Top small business challenges



**Increasing profitability**



**Business growth**



**Reducing operational costs**



**Attracting & retaining new customers**



## 9 Spokes helps businesses:

- To connect all their software to one dynamic interface - giving them a clear overview of their business
- To access data and new metrics across key areas, from any device at any time
- To integrate their existing software into the dashboard as well as choose from a selection of recommended and accredited apps to suit their industry

**With these insights, it's easier to make the big decisions to either manage or grow a business**

Source: [2015 Top 10 SMB Business Issues, IT Priorities and IT Challenges](#).



# 02 | Scalable business model



# Dual track approach

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## Channel model



### Advantage for 9 Spokes

- Access large customer base
- High adoption
- Lower customer acquisition cost
- Implementation / licence fees
- Validation

### Advantage for Channel

- Relevance
- Insights
- Disrupt disruption
- Churn management
- Attract customers

## Direct model



### Advantage for 9 Spokes

- Precursor to channel adoption
- Control
- Build brand equity
- Enter new markets
- Speed of deployment

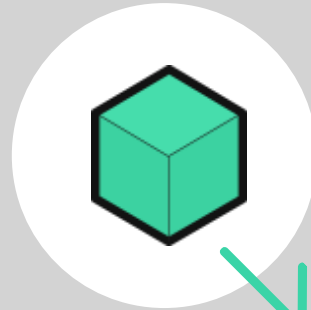
# Validation by blue chip, international partners

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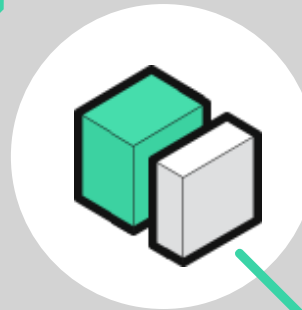


# 9 Spokes has five sources of revenue

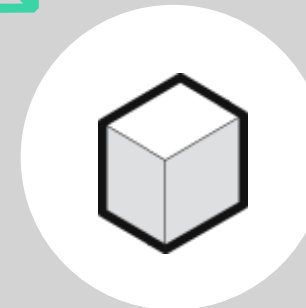
## 1 SaaS Subscription Model



Customer buys App  
at **100% Recommended Retail Price (RRP)**



9 Spokes takes  
a **20% margin**



OSP receives  
the **80% balance**

**9 Spokes is free to  
the end user**

# 9 Spokes has five sources of revenue

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2

**Development  
& Deployment**



3

**License Fees**



4

**Subscription  
underwrite**



5

**Benchmarking,  
data and analytics  
revenue**



03

# December Quarterly Activity Update

# Delivering on plan since IPO

Achieved all targets indicated in 28/09/16 ASX announcement *“Entering quarter of major milestones.”*



04/11/16: UK Direct live



23/11/16: Propel by Deloitte live



19/12/16: Barclays Bank live



21/12/16: Suncorp live

# December Quarterly Activity Report: 30/01/17

## Surge in January activity after largest channels go live

- Largest channels, Barclays and Suncorp went **live the week before Christmas**.
- Channels and improving performance of Direct enabled the surge in user activity seen during January, a **+112% increase in average user sessions compared to prior to those two channels**.
- 9 Spokes will give its **first customer update by the end of February**.

## Business development encouraging

- 9 Spokes' business development pipeline has **expanded significantly since going live** with channels.
- Discussions now **progressing with more than 10 prospective channels**. Each of these would represent a **sizeable opportunity** for 9 Spokes, including some prospects in North America that are much larger than Barclays Bank, 9 Spokes' largest channel partner to date.
- **Partnership with global Alliance partner** continues to progress and has led to several enquiries from large banks.

## Co-marketing initiative successful. To accelerate in March quarter

- **First co-marketing initiative was successful with Intuit QuickBooks**, one of the world's leading software brands.
- **Further co-marketing promotions will be executed** during the March quarter.





# 04 | Entering the US market

# 9 Spokes to enter the US market \*

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\* Refer ASX announcement dated 07/02/17 for more detail



9 Spokes to expand into the US market through 9 Spokes Direct Platform (“**US Direct**”)



US Direct will help **business development** efforts with large US channels, especially the primary target of US SME banking



US is a **major opportunity** for 9 Spokes with approximately 29 million SMEs, around five times the size of the UK market



US Direct **market entry is efficient** due to the scalable nature and inherent flexibility of the 9 Spokes platform.

# Expansion – Entering the US market

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## US market entry via US Direct reflects five themes:

1. **Early progress of Direct platform in the UK market;**
2. **Promising business development**, particularly progress with potential US bank channels;
3. **Platform is inherently flexible:** the ability to enter new markets at low incremental cost;
4. **Existing App partnerships are applicable to US SMEs;** and
5. **Robust performance & scalability** of platform.

# Over 99% of businesses in the United States are SMEs

The US is the world's largest economy, with a 25% share of world GDP and Private Sector revenue of \$45 trillion per annum.



## Small businesses are the backbone of the economy

- 29 million SMEs, 6 million of which employ at least one person
- Avg. employees per private sector business: 4.7
- Avg. employees per private sector establishment: 4.3



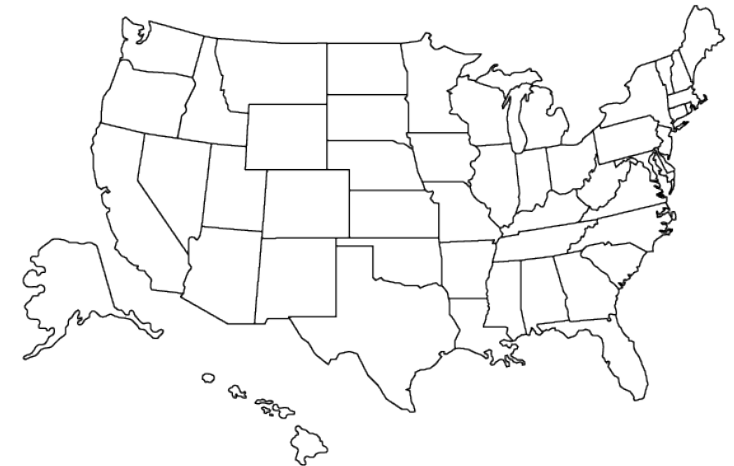
## Cloud adoption is increasing

- 95% of businesses are using some form of cloud technology
- The cloud market is worth \$55bn today, with 40% CAGR since 2011
- By 2020, 78% of US businesses will have fully adopted the cloud



## Mobility is vital for day to day operations

- 43% of small business owners use a smartphone as the primary device to run their operations.
- 34% of workers had taken up freelance employment in the past year



## Top industries & revenue\* (USD)

1. Wholesaling – \$7.8 trillion p.a.
2. Retail – \$3.7 trillion p.a.
3. Medicine, Health & Social Care – \$2.6 trillion
4. Trades & Construction - \$1.8 trillion
5. Business & Professional Services – \$1.8 trillion

\* Total Industry incl. SME & Corporate

05

Ability to execute



# Ability to execute demonstrated in 2016

## Onboarding Talent



- Increase from 22 staff in Jan-16 to 81 currently was required to simultaneously deploy 4 channels
- Hiring has tapered off since deployment, already at “right size” for existing opportunities

## IPO: raised A\$25m



- Successfully raised maximum of A\$25m in June 2016
- Substantial commitment of management time and resources for an early stage company

## Channel delivery



- Built the platform
- Signed agreements with Suncorp & Deloitte UK (Propel)
- All 3 channels, plus 9 Spokes Direct went live as targeted during the December quarter

# Board: global from the outset



**Paul Reynolds (UK)**  
*Non-Executive Chairman*

- Experienced CEO & Director
- Ex CEO Telecom NZ, British Telecom ( Board Member for global technology and operations).
- International Executive with over 12 years public-company Board experience in Europe and Asia-Pacific.
- Executive role in partner and investor relations, corporate development.



**Mark Estall (NZ)**  
*Founder | CEO | Exec Director*

- Founded several software companies, as well as businesses in other verticals.
- Mark mentors SME businesses, providing strategic growth advice
- Track record of building businesses through developing strong teams.



**Thomas Power (UK)**  
*Non-Executive Director*

- Online entrepreneur, business advisor, director, leading social media expert
- Professional speaker on internet technologies and developments.
- Ex Ecademy (1998), Leaders (2009), Dotconnect (2012) and Scredible (2013).



**Wendy Webb (USA)**  
*Non-Executive and Independent Director*

- Accomplished c-suite executive; board member; investment banker and investor relations
- Experience in multiple industries.
- Significant roles in strategy, branding, global expansion, investor relations, governance, and digital initiatives
- Brings a US-perspective to business & investment strategy.
- Ex Walt Disney (1988-2008), Ticketmaster.



06

# Funding and ownership



# Strong cost discipline with recurring revenue commenced

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- June 2016: Raised maximum A\$25m at \$0.20 via IPO and listed on ASX (9SP.AX)
- Cash balance of NZ\$16.5m at December 2016
- Cash receipts of NZ\$1.2m in the December quarter (up from NZ\$150k)
- NZ\$1.2m already invoiced in the March quarter
- Net cash outflow improved by 31% in December quarter
- Strong cost discipline: spend in quarters reported since IPO below guidance. Expenditure in December quarter was \$3.9m versus \$4.8m guidance.
- Minimum contracted monthly recurring revenue (MRR) of c.NZ\$3m p.a (current exchange rates). Licence fees are accruing now that all channels are operational.

# Substantial ownership by insiders

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- Mark Estall (CEO, co-founder); Adrian Grant (co-founder); and Brendan Roberts (COO) collectively own 37% of the company.
- All 3 are actively involved in the strategy, execution & growth of 9 Spokes
- 60% of employees bought shares at the time of IPO
- **Escrow: 45% of total shares** at listing are escrowed until June 2018 (Founders 100% escrowed for 24 months). 4% of escrowed shares released over last month, 96% remain in place until June 2018.

# 9 Spokes

Connect more. Know more.

