

ASX: 9SP

ASX Release

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9 Spokes releases FY19 Annual Report

9 Spokes (ASX: 9SP or “the Company”), the leading Marketplace and Insights Company to small and medium businesses (SMB) has released its FY19 Annual Report today.

9 Spokes CEO Adrian Grant said: “FY19 has been a year of significant change. While our purpose and vision remained the same, we elected to pursue a strategy aimed at achieving break-even as soon as possible. As such, all operational aspects of the Company were reviewed in order to align costs and resources in the business to achieve this goal. Pleasingly, we have demonstrated that we are now in a position to achieve this with success in our Enterprise Channel pipeline.”

Performance Highlights:

- Revenue grew 22% year-on-year, to \$8.2 million;
- Expenditure reduced by \$7.3 million, a 30% reduction year-on-year;
- Ongoing reduction in quarterly net cash flows;
- Successfully delivered two new Enterprise Channel Platforms to OCBC and Bank of New Zealand;
- Commenced a major rebuild of the 9 Spokes platform (V2);
- Re-platformed the platform’s infrastructure resulting in significant services and cost benefits;
- Revised our distribution model, including entering into a co-sell arrangement with Microsoft and opening discussions with VISA USA;
- User base almost doubled from 50,000 to 95,000 during the year, since passing 100,000;
- Significantly progressed prospects with a new enterprise channel partner in the US.

Cost Control

Cost management and control has been a key objective for this financial year which is evidenced by reduction in expenditure. The Company will continue to work with a keen focus on cost against a backdrop of continued expected revenue increases.

Enterprise Channels go-live

9 Spokes delivered two new bank Enterprise Channel Customers during the year. BNZ which was signed in March 2018 and OCBC Bank signed in August 2018 were both delivered successfully in December 2018. OCBC went live in January 2019, and BNZ at the beginning of April 2019 which 9 Spokes has supported in its go to market campaign through a Marketing service programme.

There are number of new Enterprise Channel opportunities under development across Asia, North America and Europe. Discussions with a tier one North American Bank now at an advanced stage. The Company also successfully delivered a paid Proof of Concept (POC) to a major European Bank during the last quarter of the year.

Growth Channels

Continuing the Company's strategy of working with key partners with strong banking associations, 9 Spokes announced a commercial relationship and co-selling agreement with Microsoft and as well as discussions with Visa USA; both to support the growth and distribution of the 9 Spokes platform and to extend the sales model through global distribution partnerships.

Platform Functionality

The Company has focused resources on enhancement of platform functionality, feature sets and user experience, referred to as V2. This represents the start of a significant product refresh built on new architecture which will help 9 Spokes enhance user experience for Enterprise Channel Customers and small businesses.

Looking forward, 9 Spokes will continue to exercise operational causation with a focus on moving towards break-even while at the same time working to deliver a V2 platform, new banks and small businesses to the platform.

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About 9 Spokes

9 Spokes is a tracking tool designed to help SMEs enhance their performance and be their best business self. It collates and sorts the SME's data, so they can more easily see their progress against the things that matter most to their business.

SMEs can connect their cloud software to 9 Spokes to get a comprehensive picture of their business performance through a single smart dashboard—so it's easier to make the big and small decisions required to manage and grow their business effectively. As well connecting their existing supported software to the dashboard, businesses can choose from a selection of other recommended and accredited apps to suit their industry.

9 Spokes is provided under a direct model to small businesses and as a white labelled platform allowing key Banking Partners to offer 9 Spokes to their SME customers under their own brand.

Find out more at www.9spokes.com