

ASX: 9SP  
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## **Special Meeting of Shareholders Prepared Announcement**

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

Announcement authorised by the Board of 9 Spokes International Limited.

### **For further information, please contact:**

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## Chair's address

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

The Board has also agreed that I provide the key address to shareholders at today's Special Meeting of Shareholders to consider, and if thought fit, approve the removal of the Company from the Official List of the ASX ("Delisting").

I am joined today by my fellow directors Shelley Ruha and CEO, Adrian Grant.

Again, I would like to acknowledge that this year has been extremely challenging for our shareholders and the Company. The Board fully accepts the responsibility you have entrusted in us to take all necessary steps to preserve value for all shareholders. The Board believes that Delisting is another important step in this process.

### The conclusion of the Strategic Review

We announced on 18 July 2022 that the Company would carry out a Strategic Review. This was completed on 2 November 2022. The key objective of the Strategic Review was to identify steps to preserve value for shareholders. To recap, a summary of the findings of the Strategic Review were as follows:

- The Company is taking appropriate steps to achieve operational financial sustainability.
- Significant operational costs of approximately NZ\$2.5m per annum continue to be removed from the business.
- Further direct costs associated with being listed on the ASX (approximately NZ\$0.96m per annum) can be significantly reduced by Delisting.
- The reduced compliance and disclosure requirements resulting from Delisting would support retaining existing customers and potentially gaining new ones. It may also make access to capital easier for the Company.
- The Company's current share register makes raising pro rata capital from existing shareholders unfeasible.

Against that background, the Strategic Review recommended that that the Company should consider seeking voluntary Delisting.

### Why the Board believes Delisting is the right next step

The Notice of Meeting and accompanying Explanatory Memorandum sets out all the reasons why the Board believes that Delisting best preserves shareholder value and is in the best interests of the Company. We have also set out in those documents the potential disadvantages and consequences of Delisting.



I wanted to highlight three reasons that support Delisting which continue to remain compelling.

### ***Costs of being listed***

- The direct costs of being listed on the ASX are estimated at NZ\$0.96 million per annum. In addition to the direct costs, there are substantial indirect costs of being listed which relate to senior management and other employee time which is consumed by ASX-related matters, including half-year and annual reporting, quarterly reporting, managing audits, liaising with external advisers and other general administrative matters. These costs are estimated to be approximately NZ\$500,000 per annum.

### ***Access to capital***

- One of the main advantages of being listed on the ASX is access to capital. The current shareholder register makes it unfeasible to raise capital from the existing shareholder base on a pro rata basis. The composition of the Company's share register combined with low market capitalisation, low share price and resulting low liquidity in the Company's shares indicates an unsustainable position in terms of raising public capital. Given traditional avenues to raise capital via the ASX are effectively closed, raising future capital when required as an unlisted company is now the preferred course.

### ***Potential value of additional confidentiality with existing customers and prospects***

- The Company's experience has been that being listed on the ASX can create real frictions that negatively affect potential sales and existing customer relationships, particularly in relation to the Company's continuous disclosure obligations under the ASX Listing Rules. As the retention of existing customers and winning new customers remains critical if the Company is to achieve operational financial sustainability, in the Board's view, the Company's only choice is to seek to delist.

Additionally, as I said at the AGM, we cannot reach financial stability solely through cost cutting – the Company must grow revenue. We continue to work extremely hard with existing clients to expand all aspects of their commercial partnership with the Company. Sales and revenue generation are now the area of our highest attention and will be further materially supported through Delisting.

### **Buying and selling your shares post delisting**

Retaining liquidity for shareholders was a key consideration of the Strategic Review.

For that reason, the Company has engaged share trading platform provider PrimaryMarkets to allow shareholders to trade their shares post-Delisting.

We will communicate with shareholders with further detail on trading through PrimaryMarkets including the terms and conditions and the applicable trading rules that will apply, in due course after Delisting (provided that the special resolution is passed by shareholders).



The Board anticipates that a trading window for the Company's shares through PrimaryMarkets will open in January 2023.

### **Today's special resolution – removal of the Company from the Official List of ASX**

To consider and, if thought fit, pass the following resolution as a Special Resolution:

*"That, for the purposes of ASX Listing Rule 17.11, and for all other purposes, the Shareholders approve the removal of 9 Spokes International Limited (the "Company") from the Official List of the ASX, and that the Directors of the Company be authorised to do all things reasonably necessary to effect the removal of the Company from the Official List of the ASX."*

I reconfirm that the Board unanimously recommends that Shareholders vote in favour of the Resolution.

I welcome your questions ahead of the vote taking place.