

ASX: 9SP
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2021 Annual Meeting of Shareholders Prepared Announcement

Auckland, NZ | 16 July 9Spokes (ASX: 9SP or the "Company"), an open data platform focused on building digital solutions for businesses and financial institutions, will today present the following prepared Chair's Address and CEO Update at the 2021 Annual General Meeting.

Announcement authorised by 9Spokes' Company Secretary Neil Hopkins.

About 9Spokes

9Spokes is an open data platform. We provide a robust infrastructure on which to build brilliant business experiences – transforming permissioned data into information, and information into knowledge. We empower businesses to better manage their performance and enable developers to harness data, information, and knowledge sets to build great apps to support businesses – small, local, and large. 9Spokes brings businesses, financial institutions, developers, and data together to share the benefits of open data.

Find out more at 9spokes.com

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New Zealand company number 3538758
(ARBN 610 518 075)



Chair's Address

Thank you for joining us today, once again in the virtual format that has become so familiar over the past 18 months.

Today, we look back on a year like no other. It would be remiss of me not to first acknowledge the contribution made by our employees during this challenging period. They have shown true commitment and grit, adapting to and overcoming the strains caused by COVID-19. Further, to our shareholders, and channel and strategic partners, thank you for your continued support.

I have no doubt it has been a difficult year for all of us – personally and professionally. However, the challenges we face often necessitate innovation and open new avenues of opportunity.

This morning I will make a few comments on the year passed and the year ahead before introducing our Chief Executive Adrian Grant who will furnish you with more details on performance and strategy.

Over the course of FY21, 9Spokes reached significant milestones:

- In May 2021, we welcomed a new channel partner to our ranks – Virgin Money UK – for whom we will deliver a core part of their working capital-health proposition.
- In August 2020, we entered a distribution agreement with Linear Financial Technologies (formerly Fundation), a digital account origination and insights platform serving the business banking and adjacent markets.
- In July 2020, we signed a multi-year contract with Visa USA Inc enabling Visa to offer the 9Spokes solution to Visa clients and their small business customers.

We have maintained strong fiscal discipline, controlling costs and focusing our funds and resources on refining and further developing our platform proposition. To align with more agile, remote ways of working, we have rationalized our office accommodation in Auckland and in London. Our business, our people and our partners remained resilient in spite of the pandemic challenges.

Following the end of the financial year, we had the distinct pleasure of welcoming Kevin Phalen to the Board of Directors. Kevin is hugely respected and his appointment strengthens the Board further, bringing unequivocal expertise, industry experience, and governance skills to 9Spokes at a crucial time for us. You will be asked to pass his appointment in resolution three.

Turning now to the year ahead. Our Market Update issued in May this year, framed the evolution of our product as we took the natural step from data platform to open API platform. It was also an opportunity to mark our position in that space and present our proposition in full to the market.



As is evident from new and exciting entrants to our market, there is an energy within the business banking space. Open banking and, more recently, open data are creating new opportunities to give businesses the power to leverage their data and drive outcomes. This creates a healthy dynamic for 9Spokes.

While we're optimistic, we take nothing for granted. 9Spokes has established a presence globally, through our channel and strategic partners. Our internal team is strong and the technology stack is in place. Yet, we remain vigilant, focused on the core drivers of the business and asserting fiscal discipline.

I will shortly hand over to Chief Executive, Adrian Grant.

Before I do that, I would like to thank the senior executive team, management, and staff again for their outstanding efforts throughout a very difficult year. Their continued efforts put 9Spokes in a strong position to capture the opportunities ahead.

I would also like to thank my fellow board members for their support during the year.

For the coming year, the outlook is positive. We look forward with confidence.

Thank you.

I will now invite Adrian to deliver the CEO's update.



Chief Executive's Update

Thank you, Paul, and thank you all for joining us today.

AGMs are always a reflective time, an opportunity to objectively assess our past year's performance and present the path ahead so we are clear on our shared objectives.

In early May, we issued a Market Update to present our position on the state of the market, the opportunities before us, and how we need to organise to be effective in FY22 and beyond.

I want to spend time going through key aspects of that update to ensure you are fully across how the market is evolving and how we need to respond to be effective.

Before I touch on the future, I want to cover our FY21 results.

Entering FY21 there was no doubt it was going to be a year of uncertainty and change – due in large to the impact of COVID-19 on trading.

Our position was to prepare for the worst and to operate in a fiscally conservative manner, maintaining our current cost structure while working to improve and refine our proposition and operating cadence.

Given our target channel to market is through financial institutions (FIs) this approach was sensible. Universally FIs' priorities were first to protect their existing positions, and second to work with respective governments on business support before any consideration was given to exploring new opportunities.

Profit and loss performance

Financial performance

	2021 NZ\$ million	2020 NZ\$ million	Variance NZ\$ million	Variance %
Total revenue	6.6	6.9	(0.3)	-4%
Total expenses	(11.6)	(11.2)	(0.4)	4%
Net finance expense	(0.1)	(0.6)	0.4	-74%
Net loss before income tax	(5.1)	(4.9)	(0.2)	5%

Our resultant P&L for the year was predictable. We sought to maintain our net cash burn at a manageable level, to ensure we met our clients' expectations and continued to rapidly evolve our platform.

Revenues were broadly flat.

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Expenditure

Regarding expenditure, our focus has been to keep a tight rein on all costs, which were in line with our forecast.

One impact of the COVID headwind to our cost structure is the significant cost inflation around retention and recruitment.

A career in technology offers a significant pathway for current and future generations of workers. While I recognise the steps that are now being taken, I would like to see more direct support from central government that acknowledges technology is at the forefront of a sustainable and productive economy in New Zealand.

The Company raised capital in August 2020 to provide a sufficient cash runway to support its next stage of development.

Distribution Channels

A focus over the last two years has been to establish partnerships with organisations with whom we can scale our business. We now have three such partnerships.

In July 2020 we signed a Global Strategic Partnership Agreement with Visa USA Inc. As we commented at the time, our agreement allows Visa to resell our product under their brand and on their commercial paper.

At the start of today's AGM, we played a video used by Visa as part of their sales collateral. During the first nine months of our partnership, we have established our 'go-to market' programme, trained their regional sales teams, integrated Visa data into our platform, and built a strong pipeline. We are confident that our partnership with Visa will prove to be valuable in scaling our distribution.

Our partnership with Microsoft continues to benefit the company. At a technology level we are operating effectively on the Azure technology stack and, importantly, building trust with our FI clients that our technology stack is appropriately compliant – as demonstrated by our ISO27001 certification.

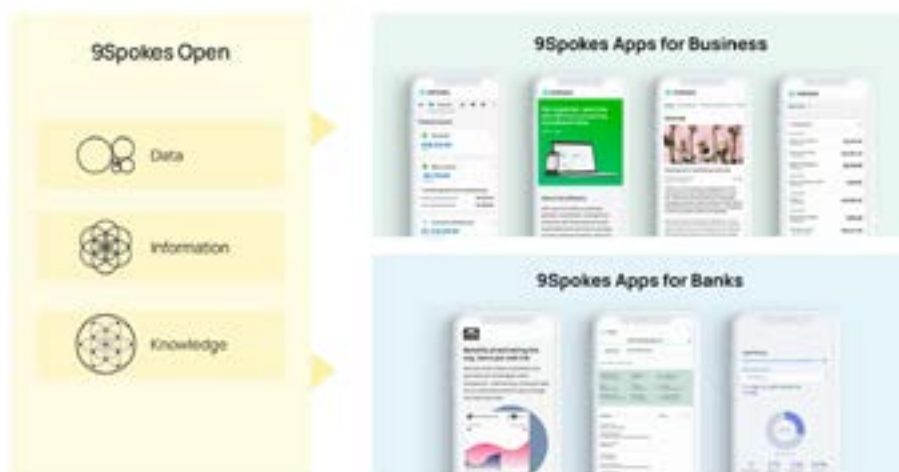
Finally, in August, we signed Linear Financial Technologies (LFT), formerly Fundation. LFT is a leader in digital account origination technology and insights for financial institutions, B2B vendors and SMB service providers. They believe in our product and view us as a technology partner.

We fully accept that the value of these partnerships was not reflected in the operating performance of the Company in FY21. However, we continue to build these relationships to directly address and enhance our speed to market. We believe the benefits will be demonstrated this year.



Platform

In our Annual Report, we detailed the release of new platform functionality. We used the term 'V2' to note a new platform was deployed, the significance of V2 is that it allows us to move away from what was effectively separate instances with bespoke code for all channels to a universal code base. Removal of this encumbrance allows us to develop at speed.



In our market update we presented a clear strategy and focus on three product offerings:

1. our open data platform – 9Spokes Open officially launched last week;
2. our Apps for Business, and;
3. our Apps for Banks.

When we started 9Spokes, our focus was on building our SMB platform, with bank use cases a secondary objective. We have evolved the business to split these use cases at an app layer. Our Apps for Business and Apps for Banks are separate use cases with different value drivers. Importantly, both are built on the open data platform to provide exceptional data, information, and knowledge.





In launching the open data platform as a standalone product, we have expanded our possible use cases. Historically our apps were the only consumer of our data sets. 9Spokes Open is a significant enhancement to our platform, it opens our data sets to any permissioned third party to use our open APIs to build brilliant business solutions or integrate their client's data into their platform.

The opportunities for us have expanded. Fuelled by the rapid evolution of open banking initiatives – supported and directed by regulatory authorities and market drivers – and the subsequent move towards open data as a richer concept. This includes pending changes to regulatory frameworks globally and here in New Zealand where the Consumer Data Rights legislation likely to be passed.

These data sets have multiple purposes, but logical use cases include loan origination and management, and company insurance policy origination. Opening the data platform we have built in this way adds another distribution channel.

2021 has been notable for the significant increase in private fintech M&A transactions – in particular across open banking, fintech lending, and, as we are now seeing, open data. We see this driven by several external influences, including legislation such as open banking or new technology or business models providing new capability.

While each country is different, there is a very clear movement underway with non-traditional lenders entering markets. Our view is that without different engagement models – there is a danger that it becomes a race to the bottom for incumbents as they fight to retain their business customers through lower pricing and possibly taking on higher credit risks.

For many, the challenges are very real. Just look at the BNPL segment; yes, they will likely be subjected to greater regulatory oversight but equally, I believe, we will start to see BNPL products tailored to the SMB segment.

What we know from our FI customers using our platform is that where connected apps form part of their business banking proposition, deposit rates are higher and churn rates lower. That is a significant uplift in value being provided by our platform to our FI customers.

The aggressive moves in the market give us confidence that with our suite of products – consumed either as a turnkey solution or as individual components – we have the flexibility to rapidly assist our clients to protect and grow their core businesses.

Finally, we believe we have much to deliver and prove, but equally much to play for.

Thank you for your time today, I now have the pleasure of passing you back to the Chair.