

ASX: 9SP

ASX Release

18 April 2019

Capital Raising, Bridge Conversion and Bank Partner Update

Highlights:

- Fully underwritten Entitlement Offer to raise @\$5.3m.
- In conjunction with the Entitlement Offer, circa 42% of the short-term funding facility to convert into equity at the Offer Price, with the balance to be repaid out of the capital raising proceeds.
- Partnership discussions with a tier one North American bank now at an advanced stage.
- Proof of Concept delivered to Major European bank.

9 Spokes International Limited (**Company**) is pleased to announce that it will undertake a fully underwritten 2 for 3 renounceable pro rata entitlement offer (**Entitlement Offer**) of fully paid ordinary shares (**New Shares**) to eligible shareholders, to raise circa \$5.3 million.

Eligible shareholders will be able to apply for 2 New Shares for every 3 fully paid ordinary shares held at 7.00pm (Sydney time) on Friday, 26 April 2019 (**Record Date**).

The issue price is A\$0.016 per New Share (**Offer Price**). It is anticipated that a total of up to 330,180,791 New Shares will be offered under the Entitlement Offer to raise up to approximately A\$5,282,892 (less the costs of the Entitlement Offer).

Eligible shareholders who subscribe for their full entitlement may apply for more New Shares at the Offer Price if there is a shortfall of New Shares under the Entitlement Offer.

The Entitlement Offer is fully underwritten by Patersons Securities Limited, which is acting as Lead Manager and Underwriter to the Offer.

Net proceeds from the Entitlement Offer will be used to retire existing debt under the short-term funding facility (announced 17 October 2018) and to provide additional working capital to support the continued growth of the Company.

The proposed timetable for the Entitlement Offer is as follows:¹

Date	Action
Thursday, 18 April 2019	<ul style="list-style-type: none"> • Announcement of Entitlement Offer • Lodge Appendix 3B with ASX • Lodge Section 708AA Cleansing Notice with ASX • Lodge Offer Booklet with ASX • Letter to option holders who cannot participate in the Entitlement Offer without first exercising their options lodged with ASX and despatched
Tuesday, 23 April 2019	Letter to eligible shareholders (e.g. notice to shareholders containing information required by Appendix 3B) lodged with ASX and despatched
Tuesday, 23 April 2019	Letter to ineligible shareholders (including notification that a nominee will be appointed with respect to their rights) lodged with ASX and despatched
Wednesday, 24 April 2019	"Ex" date
Wednesday, 24 April 2019	Rights trading commences on a deferred settlement basis
Friday, 26 April 2019	Record date for the Entitlement Offer
Wednesday, 1 May 2019	Entitlement Offer Document and application forms despatched
Friday, 10 May 2019	Rights trading ends
Friday, 17 May 2019	Entitlement Offer closes
Wednesday, 22 May 2019	ASX advised of under subscriptions and announcement to market of Entitlement Offer results
Friday, 24 May 2019	Issue date for Entitlement Offer and announcements made
Friday, 24 May 2019	Holding statements despatched
Monday, 27 May 2019	Quotation of shares under Entitlement Offer and commence trading on a normal settlement basis

Further information on the Entitlement Offer is set out in the Offer Document which will be mailed to eligible shareholders shortly after the Record Date.

Shareholders may view the Company's ASX announcements, including those relating to the Entitlement Offer, on the ASX website under the ASX code 9SP.

If you have any questions in relation to any of the above matters, please contact 9 Spokes' share registry, Boardroom Pty Limited on 1300 737 760 (in Australia), or +61 2 9290 9600 (outside Australia).

For other questions, please contact your stockbroker, accountant, taxation advisor, financial advisor or other professional advisor.

¹ Subject to the ASX Listing Rules and the *Corporations Act 2001* (Cth), the directors of 9 Spokes reserve the right to amend the timetable, including to extend the closing date for the Entitlement Offer at their discretion. An extension of the closing date will have a consequential effect on the anticipated date of issue and quotation of the New Shares.

Conversion of short-term funding facility

As previously announced to the market, the Company entered into a short-term funding facility on 17 October 2018. The funding facility was later amended to syndicate the facility, as announced to the market on 22 January 2019.

A lender in that syndicate has agreed to convert part of its proportion of that facility into additional ordinary shares in the Company on completion of the Entitlement Offer, at the Offer Price, provided that the Entitlement Offer proceeds in accordance with the timetable set out in this document.

The amount to be converted will be the lesser of (i) 83% of that lender's proportion of the facility, and (ii) the maximum amount that may be converted by that lender without exceeding the Company's 15% placement capacity limitation and the 20% holding limitation imposed by the ASX Listing Rules and the Takeovers Code (NZ) respectively. The remaining amount of that lender's proportion of the facility will be repaid on completion of the Entitlement Offer.

The other lenders in the syndicate have indicated that they currently intend to require repayment of the amounts owing to them under the facility out of the Entitlement Offer proceeds, rather than converting those amounts into equity. However, they have reserved the right to require conversion of the facility into equity in accordance with the facility agreement.

Assuming that the conversion and repayment of the funding facility proceed as described above, on completion of the Entitlement Offer:

- approximately A\$2,146,000 will be repaid to the syndicate members; and
- approximately 82.89 million new ordinary shares will be issued to the converting syndicate member on completion of the Entitlement Offer, at the same price per share as the Offer Price.

This will fully repay the outstanding amount under the short-term funding facility and the lenders' security will be released.

Update on discussions with Tier One North American bank and Major European bank

Tier One North American Bank

As previously announced, 9 Spokes has been in negotiations with a tier one North American bank for the past 18 months, for the provision of a fully integrated white labelled version of the 9 Spokes platform. Discussions have advanced and the bank is now in the process of undertaking its usual internal governance reviews and approvals process, which are required prior to concluding a contract.

Although there is no certainty that a contract will be entered into, both 9 Spokes and the bank have dedicated resource to developing a unique small-medium business (SMB) ecosystem, preparing a go-to-market plan, and preparing to launch the platform to the bank's SMB customers.

If the contract is entered into, the anticipated launch of the platform would be in the fourth quarter of 2019. The platform will be integral to the bank's digital strategy of integrating the business data of SMBs with their key financial information.

The potential addressable market for such a SMB ecosystem is expected to be up to 3m users. If a contract is entered into with the bank, the resulting revenues could be material to 9 Spokes.

European Bank

9 Spokes is pleased to advise it has successfully delivered a paid proof of concept (POC) platform to a European bank, which is now live with a small group of customers for testing.

In parallel, 9 Spokes and the European bank are progressing discussions regarding a broader contract to deliver the platform to the bank's broader SMB customer base. As with the North American opportunity referred to above, there is no certainty that a contract will be entered into.

For more information:

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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