

**ASX: 9SP**

**ASX Release**

5 June, 2017

## **9 Spokes reaches adoption inflection point, signing more than 5,000 users and now Barclays ramping up**

### **Highlights:**

- **More than 5,000 small businesses have signed up to 9 Spokes' business insights dashboard. 9 Spokes will this week pass 6,000 users.**
- This is a critical milestone, as it demonstrates growing user adoption, the most recent **1,000 businesses signing up over just 12 days.**
- **Nascent Barclays adoption is already transformational**, an early validation of 9 Spokes' Channel Partner strategy.
- **Barclays is expected to launch multiple new promotions nationally this month**, which is expected to further accelerate adoption metrics.
- **Business development continues to amplify**, with a number of large banks entering the latter stages of sales cycles. Since its last update, the Company has become incrementally more encouraged by ongoing discussions with potential new channels, as highlighted by the following:
  - **Detailed discussions continue with one of the largest banks in North America.**
  - Also in North America, 9 Spokes has made substantial progress with another leading bank.
  - 9 Spokes is six weeks into a 12-week proof of concept (POC) in Asia.
  - 9 Spokes is in ongoing discussions with six banks in Asia, including two in Australasia.

9 Spokes (ASX: 9SP) ("the Company"), the business insights dashboard for SMEs, is pleased to announce it has surpassed 5,000 users and, at current adoption rate, will pass 6,000 users during this week.

The Company had previously advised it would report user numbers by the end of June, but given the material uplift in May and surpassing the 5,000 user milestone, it has brought forward the announcement. The most recent 1,000 users were added in just 12 days.

Due to 9 Spokes' Channel Partners being very large corporations, it has been a wait for adoption to ramp up. However, the Company is now experiencing the most tangible results since IPO, and is buoyed by a number of very long lead items reaching fruition.

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**Mark Estall, Co-Founder and CEO of 9 Spokes said:** *“We are extremely excited to see this validation of our Channel and Direct strategies. After years of development of our Platform, many months working with our channel partners on deep integrations, demanding implementations and more recently go-to-market strategies, we are now witnessing material adoption by small businesses across a number of different industries.”*

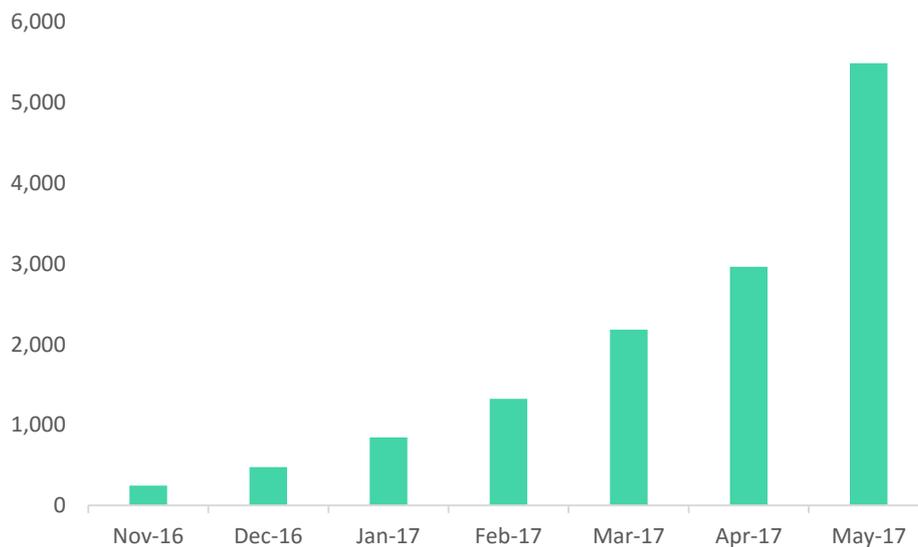
*“We see this adoption milestone as a material de-risking of the Company. This demonstrates the need of small businesses to receive vital insights in real-time on how their business is running. Importantly, the factors that are driving this higher adoption are repeatable and indeed for many reasons should amplify going forward. Our largest channel partner, Barclays has already had a substantial impact on adoption, but is in the early stages of its national roll-out.”*

*“Finally, having led our recent tour of North America to complete workshops as well as time spent in Asia, I am even more convinced of the potential for business development opportunities, given how well our smart dashboard and insights solution resonates with banks, especially with the bank grade security of our platform and our ability to enhance customer engagement with their SME clients. Our sales funnel has widened and several prospects within the funnel have been significantly advanced over the past two months”*

### Steepening s-curve reflects SME validation

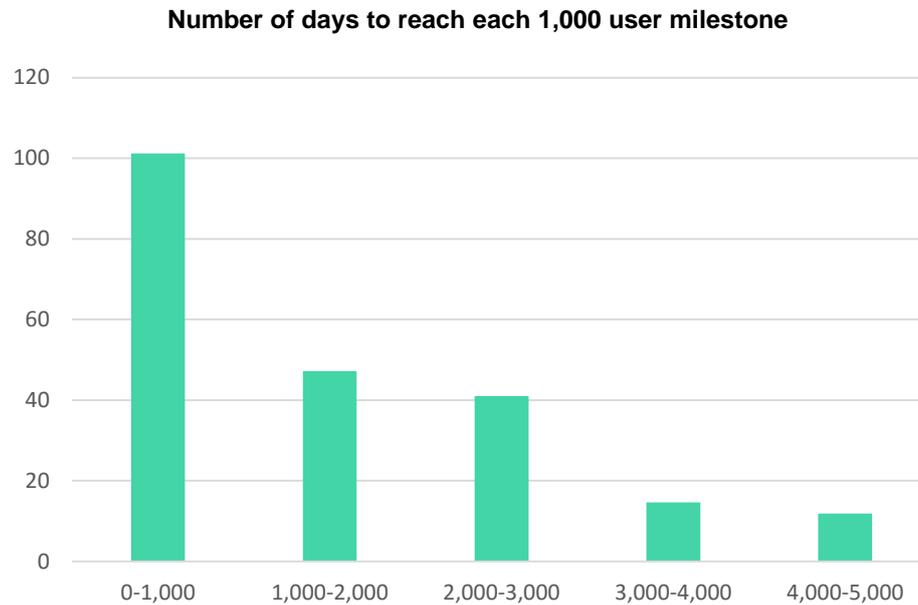
At the start of March, the Company stated it expected user adoption to accelerate in the June quarter. As demonstrated in the chart below, user adoption has already materially lifted during the past month following successful marketing campaigns. May exceeded internal expectations:

**Cumulative user adoption**



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The pace of adoption has materially accelerated in May and 9 Spokes expects further acceleration ahead. The following chart shows the number of days taken to reach each of 9 Spokes' 1,000 user milestones:



### Nascent Barclays adoption is already transformational

A key source of the acceleration in user adoption has been from Barclays Bank. This is consistent with 9 Spokes statement in late April that Barclays would commence its national roll out in “coming weeks”. The national roll-out of the white label platform, follows a successful initial roll-out in the north of England, where conversion metrics exceeded Barclays’ expectations.

[www.barclays.co.uk/business-banking/manage/smartbusiness-dashboard/](http://www.barclays.co.uk/business-banking/manage/smartbusiness-dashboard/)



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The Company has not provided guidance on adoption. However, the material impact of Barclays already seen during early stages of its national roll-out suggests that May is more indicative of the forward adoption rate. In June, Barclays is expected to launch multiple new promotions nationally. Similarly, 9 Spokes believes that the higher levels of user adoption recently achieved by its Direct platform is repeatable and indeed can improve. In its March Quarterly Update, 9 Spokes referenced new campaigns in May for Direct. The results of these campaigns have exceeded internal expectations, and will be replicated over coming months.

Due to Barclays' and other channel partners' commercial sensitivities, 9 Spokes is unable to disclose the breakdown of May or cumulative numbers by channel. However, since 16 May 2017, when Barclays started to advance from a regional roll-out to preparatory stages of its national roll-out, Barclays' users have become the leading source of 9 Spokes' user adoption. During that period, Barclays has exceeded the much-improved adoption by 9 Spokes' Direct platform. The Barclays channel is already a substantial proportion of 9 Spokes' 5,000+ users. 9 Spokes expects this proportion to grow significantly over coming months. 9 Spokes' is privy to Barclays' internal targets which indicates ongoing increases from June. This "progressive" roll-out should structurally underpin 9 Spokes' adoption s-curve.

#### **Business development: Funnel widens, and progress continues on latter stage prospects**

Business development continues apace. Building on the Barclays' validation, 9 Spokes is in discussions with several of the leading banks in North America and Asia. Naturally, these large banks have long sales cycles, but in several cases, 9 Spokes has already progressed over several months through multiple sales gates. 9 Spokes' sales funnel has both widened and several prospects within the funnel have advanced materially in recent months.

Since its last update to the market on 28 April, 9 Spokes has completed very successful business development trips, which included detailed technical workshops with large banks as it establishes both its North American and Asian hubs. 9 Spokes continues detailed discussions with one of the largest banks in North America. In North America, 9 Spokes has also made substantial progress with another leading bank, particularly over recent weeks. Meanwhile, communication continues with other North American banks.

In Asia, 9 Spokes' business development has quickly progressed from a standing start in March, to now ongoing discussions with four banks. This timely progress has been driven by a new Global Alliance Partner, who since its first engagement with 9 Spokes in February has introduced the Company to the four banks. This compliments the work of another Global Alliance Partner which has been instrumental in providing introductions into the North American market (including 9 Spokes' most advanced prospect). 9 Spokes is six weeks into a 12-week proof of concept (POC) in Asia. Finally, 9 Spokes is in progressed discussions with two Australasian banks.

Since its last update in April, the Company has become more encouraged by its ongoing discussions with potential new channels. In particular, the Company is encouraged how: a) its solution is well suited to opportunities and threats that are remarkably common to banks globally; b) well the Barclays validation has been received globally; and c) quickly its sales funnel has widened since the senior executives were able to refocus on business development following existing channels going live in late December. Underpinning this, 9 Spokes' demonstrated adoption proves the need for *small* businesses to receive vital insights in real-time on how their business is running.

9 Spokes now has a broad and diversified sales funnel, with progress continuing on latter stage prospects. 9 Spokes will keep the market informed over coming months, with several of the sale cycles expected to approach completion at similar times.

**For more information:**

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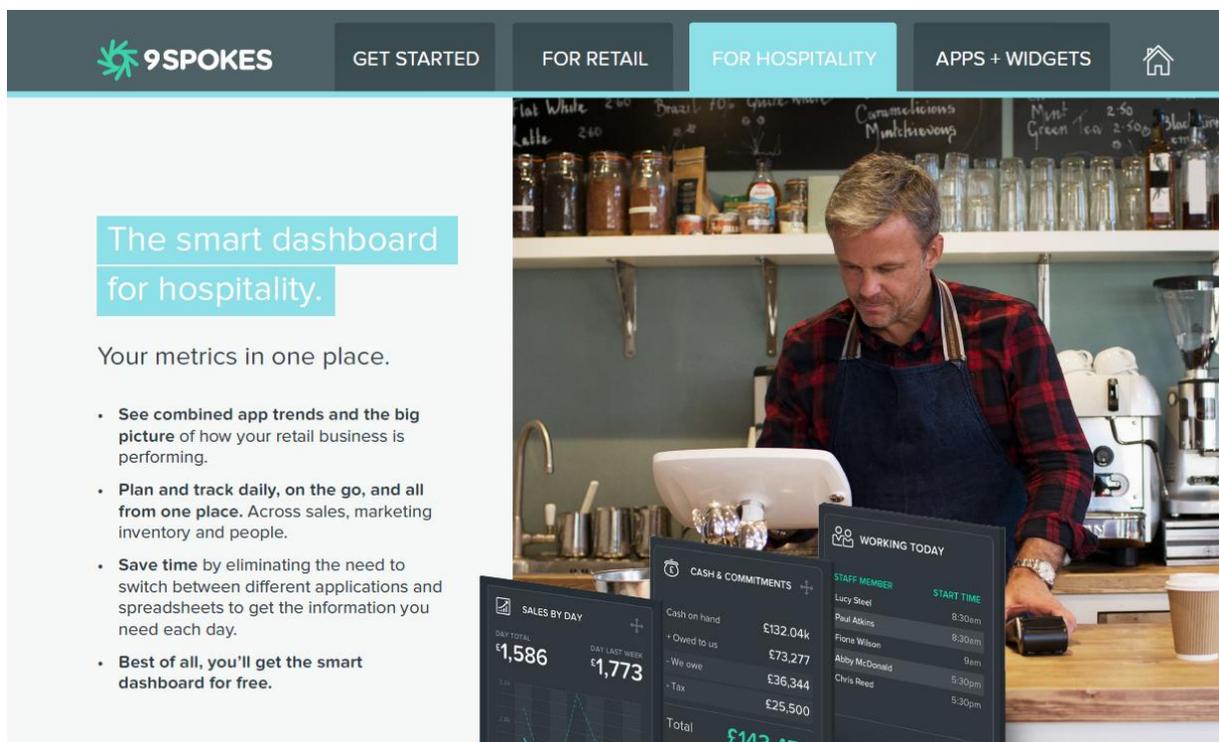
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 DAY LAST WEEK: £1,773

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 + Owed to us: £73,277  
 - We owe: £36,344  
 - Tax: £25,500  
 Total: £143,47k

**WORKING TODAY**

STAFF MEMBER	START TIME
Lucy Steel	8:30am
Paul Atkins	8:30am
Fiona Wilson	9am
Abby McDonald	9:30pm
Chris Reed	5:30pm

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## About 9 Spokes

The 9 Spokes smart dashboard enables SMEs to connect their software to one dynamic interface - giving them a clear overview of their business. It allows management and advisors to access data and new metrics across key areas, from any device at any time. With these insights, it's easier to make the big decisions to either manage or grow a business.

Businesses can integrate their supported software into the dashboard as well as choose from a selection of recommended and accredited apps to suit their industry.

The smart dashboard from 9 Spokes is available as a Direct model to small businesses and as a white labelled platform that Channel Partners can offer to their SME customer base.

Find out more at [www.9spokes.com](http://www.9spokes.com)



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