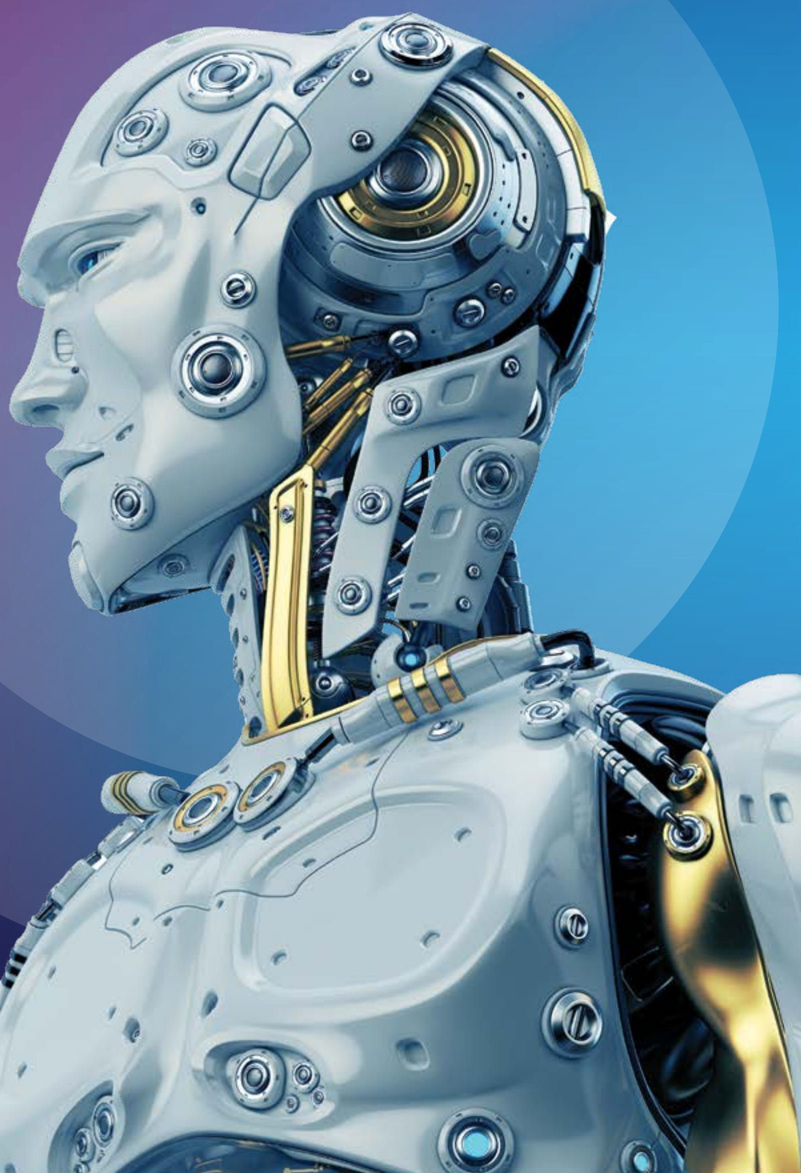
INFLUENCING NEW ZEALAND'S FUTURE WITH TECH



The New Zealand technology sector and listing with NZX. All you need to know.

www.nzx.com/products/insights

$7.3 BILLION

in tech exports

9%

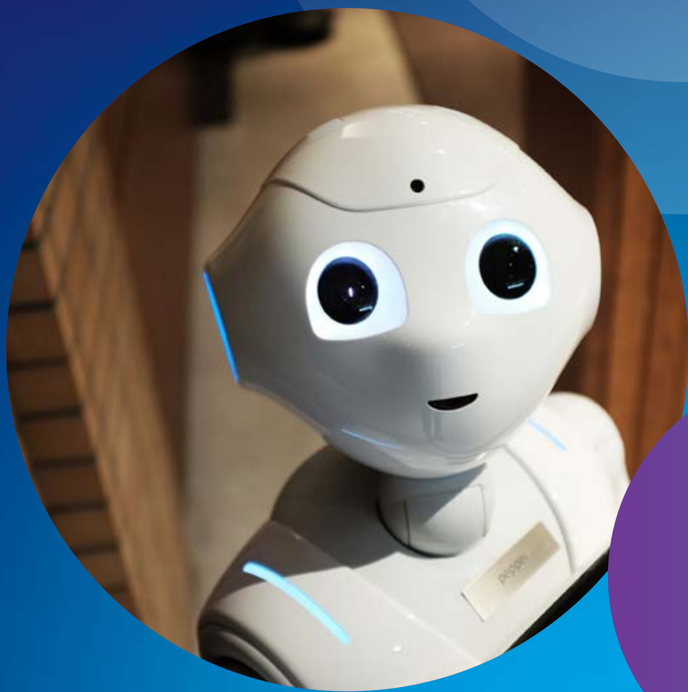
of total NZ exports are tech

104%

growth in tech exports compared with 2015

21,870

tech enterprises in 2019, with **555** being new in the last 12 months



110,000

New Zealanders employed in tech

Foreword

When you look across the S&P/NZX 50 there's no escaping **the importance of technology** – from healthcare, nutrition and telecommunications to transport, infrastructure, energy and retirement living.

While retaining the very essence of what we've always celebrated in New Zealand – individuality and a quiet determination to earn success – Kiwi companies have shed the old "No.8 Wire" mentality to become a global showcase for technology benchmarks.

We are defining our place, rather than looking to the rest of the world for validation. This is an important evolution among the standout examples – tapping into global trends and growth opportunities, with New Zealanders backing them along the way, and turning local revenues into the foreign earnings that drive our economy.

In this report we put the spotlight on technology, some of the key trends, and feature on two of our listed companies who are global leaders, Rakon (NZX: "RAK") and Pushpay (NZX: "PPH"), taking that Kiwi can-do and hard graft to be the very best in the world at what they do.

Technology has never been more important to our country, as the fastest growing export sector in 2019 and particularly as the Government considers how the evolving global situation with COVID-19 might impact some industries that have long been at the core of New Zealand's economic success.

There is a tremendous opportunity in applying innovation and technology to what we already do very well, so that we build on traditional strengths to ensure we have the long-term resilience we need in our economy, which delivers high-value jobs and contributes to the wellbeing of all New Zealanders.

At NZX, we're passionate about our role in capital formation in New Zealand, and working with you to support your growth and ambitions – helping shape a brighter future, and create what's next.

Mark Peterson
Chief Executive
NZX

Kiwi ingenuity is a phrase we often hear to describe our collective ability to roll up our sleeves and solve a problem, despite the challenges in front of us. It is a character trait that is interwoven into the fabric of New Zealand, which has helped us to build, innovate, disrupt and challenge, for decades.

Introduction

The Kiwi tech sector is this ingenuity in-action. Thousands of lightbulb moments take place each and every day, with any one of them turning into the next big idea and potentially the launchpad for a new global business.

At NZX, we are recalibrating our focus to become part of the tech ecosystem, helping provide our brightest minds with an environment in which ideas can be nourished and cultivated. Access to sufficient funding is the cornerstone to this objective.

It is important for the gatekeepers of capital at all stages to ensure both current and future tech leaders are properly informed of these levers of scale. This includes early stage venture capital, private equity, bank funding, as well as both public and private markets.

This report seeks to provide a snapshot of the tech sector in New Zealand and demystify the listed market. We truly believe that the public markets can provide a long-term and viable avenue for profile, investability and scale, whilst providing stakeholders with access to a liquid secondary market.

Sarah Minhinnick
Head of Issuer Relationships
NZX

THINKING GLOBAL, BENEFITING LOCAL

The tech sector was New Zealand's fastest growing export sector in 2019. The impacts of COVID-19 to date have significantly accelerated the importance of this sector's contribution to rebuilding New Zealand's economic future.

Figure 1 shows the tech sector's share of exports has increased over the past five years. The ICT industry has demonstrated some rapid growth and is expected to be a key driver for future growth, compared to dairy and tourism, two of New Zealand's historically strong export performers.

Figure 2 shows that the tech sector's forecast growth rate has the potential to align with dairy exports rate of growth in 2020. This will be part of the solution to plugging the export revenue hole felt in tourism. To stimulate or even maintain the rate of growth in the tech sector, we need to ensure that there is designated focus and strategic investment in innovation that creates scalable and globally relevant solutions.

Figure 1: Exports Revenue Generated from the Tech Sector

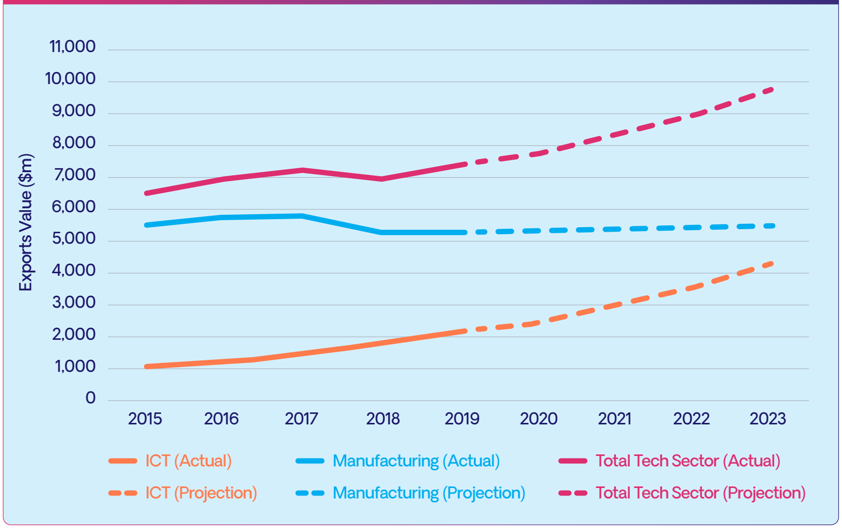
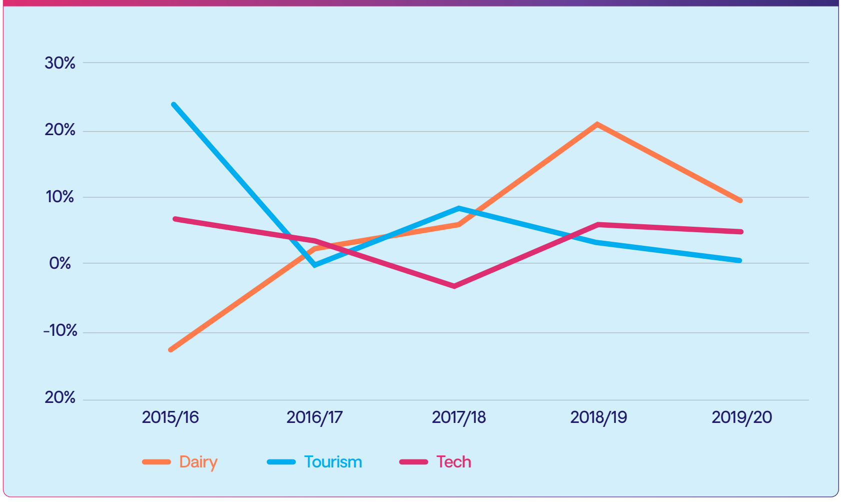


Figure 2: Exports Growth Rate in Tech, Dairy and Tourism



Sources: Fig. 1 Stats NZ and NZ Tech, **Fig. 2** Stats NZ and NZ Tech

RETHINKING NZ'S FUTURE, STIMULATING INVESTMENT

2019 R&D funding in tech $570 million, indicating that the potential opportunities for further growth in the tech sector are significant.

R&D investments and export performance both influence the competitiveness of an industry. Although independent of each other, the limited amount of investment in R&D within NZ could drive start-up innovation offshore. There have been a number of examples where NZ tech companies have sought R&D support offshore and these companies are often sold early to overseas companies, removing the future export revenue streams from NZ.

While NZ's R&D investment in tech has been reasonable **[Figure 3]**, strategic positioning for R&D investment in globally relevant solutions will help fuel further growth. Continual innovation improvement is important for NZ to gain and maintain a global competitive advantage in the sector.

Investment behaviour in NZX-listed tech companies sharply increased from early 2020, and was sustained throughout the COVID-19 lockdown period **[Figure 4]**. The significant jump in the number of buyers over sellers illustrates new investors prefer to buy and hold. This supports the possibility of a broadening tech investor base and opportunity for increased liquidity and new investors over time. As shown in **Figure 5**, S&P/NZX 50 listed tech companies collectively outperformed the S&P/NZX 50 over the past three years. While falling more substantially during NZ's COVID-19 lockdown, they also recovered faster and continue to outperform.

Figure 3: R&D Expenditure in the Tech Sector as a Percentage of Exports

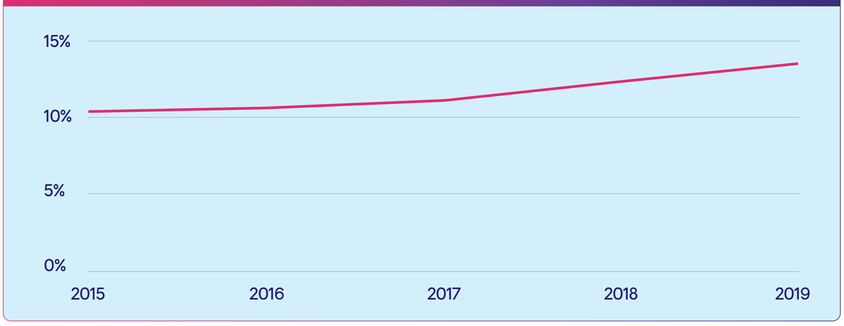


Figure 4: Number of Individual Investors in the Tech Sector

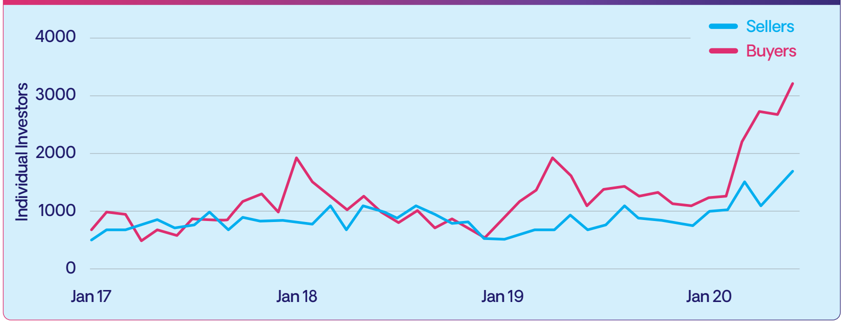
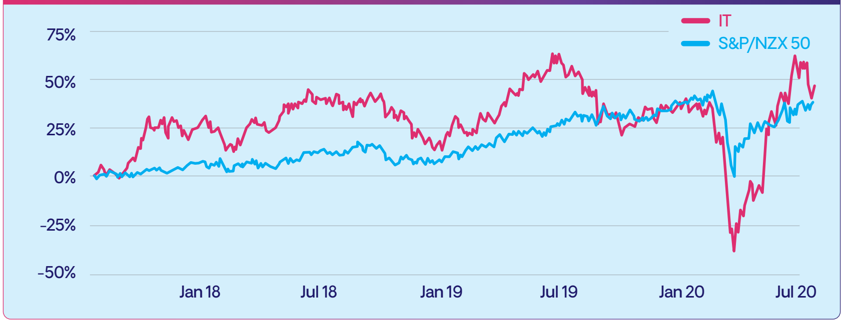


Figure 5: IT Sector Index Returns Compared to S&P/NZX 50 Returns



Sources: Fig. 6 Fonterra Annual Financial Results and Stats NZ, **Fig. 9** NZX Data, **Fig. 10** S&P Global rakon

THINKING BIG IN AN EXTRA-ORDINARY SPACE

For a Kiwi company founded in a garage in Auckland two years before the Apollo 11 moon landing in 1969, it's a pretty big achievement to have your tech on the Rosetta space probe mission to Jupiter – a mission that resulted in the first-ever landing on a comet.

Rakon is a world leader in the rarefied domain of high-precision frequency control products (FCP), a supplier to the world's largest telcos, space agencies, aircraft manufacturers, and innovators in autonomous vehicles.

"Each has its own challenges," says CEO, Brent Robinson – someone who thrives on the constant pace of the technology cycles and loves nothing better than winning the global race to find a solution.

The European Space Agency lander module that touched down on the comet 67P/Churyumov–Gerasimenko (67P) on 12 November 2014 is a measure of the credentials of the Rakon team, who are deeply connected with the needs of their customers.

Brent attests to the absolute importance of understanding your niche, including your customers' ecosystems and technology standards – in many cases involved in shaping evolving frameworks.

While Rakon has people based in England, France and India, New Zealand is a good country to operate from if you "want to be the best in the world", he says. There is still the heart of that family business formed back in 1967, and the values that they cherish as part of an international competitive advantage.

This is a team dreaming big – about the opportunities in remote medical procedures performed by surgeons on the other side of the globe, driverless cars that react in real-time to road conditions and hazards. . . and, in the words of Buzz Lightyear, this thinking extends "to infinity and beyond".

"THE SMALL PIECES OF EXTREMELY PRECISE, TAILORED TECHNOLOGY FROM THIS NEW ZEALAND COMPANY ARE FINDING THEIR WAY INTO AN INCREASING RANGE OF APPLICATIONS."

When the RAK ticker went live in May 2006 the opportunities were in global positioning systems (GPS), and that heritage is still inherent to this ingenuity success story that's setting itself apart by designing solutions to problems even their customers don't know about.

Brent says: "To be first, you really need to intimately understand what the challenges are".

The company's drive to research and understand knowledge gaps within their niche is fundamental. Being one of the first companies to learn early on the attributes needed in the frequency control of GPS – including environmental conditions, led to the development of high-reliability products used in the autopilot capability featured in many Boeing and Airbus models today.

Tackling autonomous cars head on, Rakon is drawing from its experience with frequency control in driverless tractors, trucks and defence applications – to design products that enable synchronised information from sensors in real time with control functions in the vehicle. The intricate detailing of these systems will detect obstacles, reacting with speed and accuracy to ensure safety.

Advancement in 5G will open a world of opportunity in fields such as robotic surgeries, evolution of IoT (Internet of Things) and gaming. Sitting at the pinnacle of telecommunications, Rakon is one of the key FCP suppliers to this sector globally with their components embedded in these expanding networks. Network latency has been reduced 90% over the past ten years to two milliseconds – but Brent and his team are already focussed on the next benchmark in performance.

With each of the four Rakon components for the Rosetta space mission requiring 2,500 hours of testing – and accompanied by hundreds of pages of technical documentation – this was an important milestone to celebrate. Then, once the cheering's done, this team of just 950 is back to "being the first". This could be solving how to provide the precise timing to enable satellites and spacecraft to operate perfectly in the extreme conditions of space, or adding its advanced processes to tonnes of sliced and diced quartz crystal such as unlocking the future of oscillator technology, Quartz XMEMS™.

Being a little fish in a big pond doesn't faze Rakon. Brent is a big believer in making the pool smaller and being the smartest fish in the school – a strategy creating unlimited opportunities for a Kiwi company that's quietly getting on with transforming the way we live, work and play.

Brent Robinson
Chief Executive
Rakon

DEMYSTIFYING THE MARKET

Becoming a publicly listed company, far from being an end-game, is the start of a new era in the life of a business. The rewards of an increased profile amongst customers and peers, access to new sources of capital and the associated opportunity to scale your business, are only a few of the many benefits for a publicly listed company.

While listing is an exciting milestone, there are a series of common misconceptions and urban myths around what listing entails and what options are available in New Zealand. At NZX, we believe if you are an ambitious and focused company, the goal of listing is far more achievable than you may think.

Time to bust some myths.

> “Myth: I need to be a large business and I need to be able to raise significant amounts of capital as part of an IPO?”

The minimum anticipated market capitalisation of a business listing on the NZX is $10 million. However, the suitability of listing a company in New Zealand is not necessarily driven by the size of the business or its capital raising plans. This is a personalised question, the answer for which is based upon the specific stage, scale and growth ambitions of a company.

Investors often focus on the long-term outlook, market share and competitive advantage of a business, as well as the experience of the management team. Furthermore, most companies who consider listing have a good growth rate.

The 'classic' IPO is the most well-trodden path, with respect to which engaging with a distribution and broker network is key to building out a viable listing and capital raising proposition. There are, however, alternative routes to market, such as a direct listing (formerly known as a compliance listing), which can offer a more dynamic and cost-effective listing solution.

Flexibility of direct listing

A direct listing offers greater flexibility to an aspirational listing candidate as it avoids the need to raise capital. However, this route still leaves open the opportunity to raise new funds using the same class offer regime after a three-month period, during which an issuer has time to build its profile and network.

In some respects, this can be the best of both worlds. Pushpay, featured in this report, is one such successful New Zealand tech company that came to market via the direct listing route.

"Myth: Listing on the exchange is too expensive"

Listing does have an initial expense, however the potential rewards as a public company are wide-ranging and long-term. Therefore, appropriate resource planning prior to listing is essential.

In respect of an IPO, a business will be engaging with financial and legal expertise as it begins its listing journey, inclusive of running a comprehensive due diligence process and preparing the product disclosure statement (PDS).

Brokerage fees will also be paid to the broker syndicate in the form of a percentage of the amount of capital raised, though it is important to remember this is a cost against new funds the business would not have otherwise acquired.

How to save costs

Aside from NZX's fees being significantly lower than competing exchanges. Direct listings save on broker and distribution fees, by virtue of there being no capital raised.

Furthermore, a direct listing only requires a listing profile document to be written as part of informing the market of the listing proposal, as opposed to a full PDS. This has the potential to be a shorter and simpler document, as it does not need to contain information relating to the offer of new shares. This can save on associated costs.

Separately, another driver for cost savings is having a good governance infrastructure in place at an early stage of the business. Being listed on a private market and registry first (such as Syndex) can create and refine these disciplines and thereby save on valuable time and resource further down the line.

Myth: If I am to build scale globally, I need to list in overseas markets

The experience of many of our listed tech issuers is at odds with the perception that overseas markets is where a tech business should list. In addition to our featured case-studies, businesses such as Fisher & Paykel Healthcare, Serko, EROAD, Vista, Gentrack and AFT Pharmaceuticals, have built scale and profile overseas, whilst being listed in New Zealand.

As told by our issuers, the real key driver to building and growing a successful tech business is having a clear focus on creating a viable and scalable product solution for consumers. There is no reason why this objective cannot be fulfilled on a global scale, whilst retaining and building presence in New Zealand.

Dual listing

In certain circumstances, a secondary listing overseas might be considered to build further presence within these markets. For example, being able to raise capital in two locations, whilst retaining access to the New Zealand listed debt market, can help diversify funding options.

Importantly, under the Trans-Tasman Mutual Recognition Scheme, an issuer can raise capital in both New Zealand and Australia. The foreign exempt listing category also means that an issuer with two listings is not be subject to two compliance regimes. Compliance with NZX listing rules is recognised on the ASX and vice versa.

We do suggest, however, that the potential benefits of building presence in Australia should be carefully weighed up against some key considerations. These include exposing the company to a much more litigious environment, additional listing and regulator fees, increased insurance costs and other requirements.

Myth: Being listed in New Zealand means overseas investors are unable to invest in my business

Overseas investment can be a key driver behind growth and scale, which can correspondingly facilitate international profile and access to new markets. However, it is a misconception to think that being domiciled and listed in New Zealand detracts from the ability to build that overseas interest.

OVERSEAS INVESTOR OWNERSHIP CONTRIBUTED TO AROUND 38%[1] OF NZX LISTED EQUITIES IN 2019. THIS IS HIGHER THAN OTHER MAJOR INTERNATIONAL EXCHANGES.

1 JBWere (NZ) Pty Ltd 2019, *Equity Ownership Survey New Zealand 2019*; www.jbwere.co.nz/media/ykzgga2c/jbwere-2019-equity-ownership-survey-final-publish-updated.pdf

Myth: The process of listing on the exchange takes too long

The time it takes to go through the process of listing has a wide variation and is dependent on the type of business, investors, strategy, objectives (whether or not to raise capital), as well as its current legal and governance structures.

As a very rough guide, an IPO can typically take 4-12 months, whereby a direct listing could be as little as 6-8 weeks.

Myth: The compliance burden of being a listed company is far too great

Becoming a listed company coincides with important responsibilities focused on protecting investors and keeping the market informed. This a key driver behind the trust that the public markets can help create.

It is important to note, however, that following the Listings Rules review in 2018, there is now a significantly simplified rules set, which was designed to enhance the understanding of the compliance obligations, whist retaining market integrity and strong investor protections.

Compliance costs have therefore been reduced, by virtue of creating stronger alignment with legislation, lowering the amount of resource that needs to be dedicated to this important function.

Myth: There is little or no advice or guidance to support my listing objectives

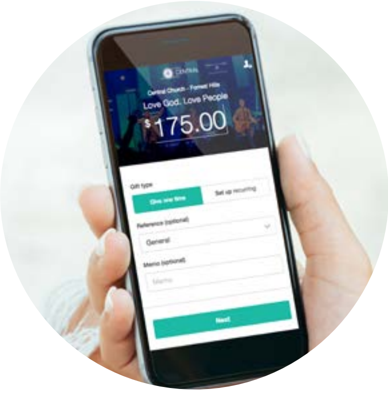
Come and talk to us!

Our team at NZX is always happy to have a confidential discussion around your requirements, and we will work closely alongside you throughout your journey to provide expert advice and support.

We are well connected with advisors, law firms and sources of capital throughout New Zealand, who are able to provide you with specialised expertise within their fields. Furthermore, we will also introduce you to our NZX Regulation team (NZXR), who can provide expert assistance on specific matters around pre and post listing.

GROWING ON TECH AND A PRAYER

To fully comprehend the success of Pushpay, you only need to look at the entrepreneurial mindset of the company's CEO, Bruce Gordon. His Kiwi 'can do' attitude saw the launch of New Zealand's first internet merchant banking platform in the 1990s funded from a stationary budget.



Pushpay's name belies a company that is built around a big heart – with a focus on strengthening and expanding contemporary and traditional church communities alike, through digital giving and engagement solutions, made simple and intuitive via an app.

"It's not hard to rally a great team when you have a vision like ours, serving customers who build connections with communities," Bruce commented, speaking on what drives his team who help knit together and grow the congregations of nearly 11,000 individual church customers in the US.

"Some of the biggest churches would fill Eden Park every week," he says. At the other end of the scale to the modern gigachurches, some are more than 100 years old and may have congregations of fewer than 100.

Bruce admits it was audacious to have a vision from New Zealand of being the payment processing and community-building platform of choice for US churches. From his experience in the New Zealand banking sector, he is used to challenging the status quo.

Bruce and the team at Pushpay ignored the prevailing wisdom that "you couldn't just go up to churches and win them over".

"WE'VE MOVED FROM BRICK-AND-MORTAR BANKING, TO THE DESKTOP AND NOW A SUPER-COMPUTER IN OUR BACK POCKET."

While it wasn't the done thing in the US, the company's founders had a sense of urgency and pushed on with good old Kiwi determination. Once on the ground, they starting listening and learning the vital language of "churchies" – which, combined with user-focused product design and technology, has been core to the success to date.

Pushpay has reported continued strong growth, with total giving volumes processed in the past financial year topping US$5 billion. Revenues were up 32%, following the trend over the past five years, and operating earnings (EBITDAF) increased 1,506% to US$25.1 million.

Listing on the NZX in 2014 was an instrumental stepping stone for Pushpay, helping give credibility to "the crazy Kiwis with big ideas", giving their largest customer prospects confidence from their due diligence and creating a sense of transparency.

This success story echoes the parable of the "The Wise and the Foolish Builders" – Gospel of Matthew 7:24–27, in that Pushpay's rock solid foundation is the natural place this technology has found at the hub of church communities. From the strategic fit of the mission-minded Church Community Builder acquired in December 2019, to the staff volunteering programme that extends the churches' reach of generosity – this is a business with a higher purpose.

Testament to this is how Pushpay helped churches connect their congregations virtually through COVID-19, live-streaming services, maintaining connections and maintaining the giving so vital to the work of churches in their communities.

"Just because your church has closed its door, it doesn't mean you've lost your faith," says Bruce. In some cases digital reach has enabled a six-fold increase in attendance, and opened a new door for Pushpay to demonstrate what's possible.

Having a digital strategy is important whether you're a retail clothing store or a church, and on top of COVID-19, connecting to the younger generation is a challenge many older, traditional churches are facing.

And, in a world of tech-native younger generations - who often strongly focus on giving to causes they believe in, creating a simple app not only encourages donations - but encourages repeat giving. Appreciation is built in, with Pushpay's new "Thank You by Fund" feature allowing a specific note of appreciation to be sent to donors regarding the initiative or cause that they supported.

This small team, of less than 500 in total, has a big reach and a huge ambition. Pushpay wants to be the best for their customers, and for Bruce the energy and passion has to be driven from the core "creating quality and enjoyable jobs for our people" as they revolutionise the future of churches one tap at a time.

Bruce Gordon
Chief Executive
Pushpay

> www.syndex.exchange

SYNDEX: HELPING TRANSFORM KIWI IDEAS TO INDUSTRY LEADING BUSINESSES.

Supporting the innovation and ingenuity of Kiwi businesses, private capital market specialist, Syndex is built on a promise to enable growth through access to capital - bringing investors and businesses together.

Mike Jenkins
Founder & COO
Syndex

Ross Verry
Chief Executive
Syndex

Founded by three Kiwi entrepreneurs in 2014, Syndex looked to solve the issues that limited the private market from its true potential, eliminating the frustrations and risk that private investors face.

At the heart of the solution, Syndex created an online investment platform, providing the infrastructure to support and facilitate private market investing, simplifying shareholder relationship management and enabling easy transacting for any proportionally-owned asset.

The digital tools also provide efficiencies in communication, compliance and governance services to create stronger investments, with supporting functions for registry management, administration, compliance and investor relations.

That means for tech companies needing to scale up at speed, the platform functions allow for 'click of a button' reports, communications and compliance – all drastically reducing distracting administrative tasks.

To date, Syndex has eliminated many 'blind spots' of the private markets, opening up many interesting and innovative assets in the investor market. In 2019, the company raised over $30 million, predominantly from issues within this funding range.

“NURTURING KIWI COMPANIES”

-Syndex

While the company began primarily in the commercial property and primary sector, Syndex have increasingly expanded its focus into the tech industry. Syndex caters to ‘angel companies’ in the early stages of business, providing a stepping stone to raise capital and find ‘smart investors’; mid stage companies looking for growth funding, succession options or new shareholders and more mature companies preparing to transition to the public markets.

Private markets are now an integral part of the capital markets and essential to the innovators and entrepreneurs of the country. And, with the increased appreciation of the innovation and tenacity of tech companies working hard to solve big world problems, interest in private market investing is on the rise.

This has been particularly evident in the agri, medical, bio and food-tech sectors – with a quarter of market offers in this sector, who are advancing robotic surgery, improving farm irrigation, skin cancer detection devices and plant-based foods.

Kiwi ingenuity has allowed New Zealanders’ to achieve amazing feats over the years - especially within the tech industry. Syndex’s online investment platform not only unlocks Kiwi potential at the beginning of their business lifecycle, but helps lay the foundations for future success, transforming Kiwi ideas to industry leading businesses.

“SYNDEX HAS OVER 10,000 PRIVATE MARKET INVESTORS ON ITS PLATFORM. IN THE 2019/2020 YEAR, SYNDEX HOSTED 14 INDEPENDENT CAPITAL RAISES INTRODUCING OVER $30M INTO THE PRIVATE MARKETS. ASSETS UNDER ADMINISTRATION NOW EXCEED $3.3 BILLION ACROSS OVER 200 ISSUING VEHICLES.”

> www.tin100.com

GROWTH THROUGH INNOVATION

The word 'unprecedented' has been used a lot this year, and for good reason. 2020 will always be remembered as the year the world changed because of a disease called COVID-19.

In the midst of the global turmoil – both economic and societal – it's heartening to be in New Zealand where our (mostly) effective management of the disease has enabled our economy to start bouncing back sooner than it might have. While significant challenges still lie ahead, investors should take heart from the significant opportunities that now exist here within our technology sector.

The NZ tech export sector has grown primarily because of technology-enabled business models, rather than the technology opportunity *per se*. This has allowed companies to scale and become profitable with strong cash flows, which in turn has attracted broadening interest from investors, many of whom were previously reluctant to invest based on the technology opportunity alone.

Whilst total revenue for the TIN200 Companies (NZ's 200 largest technology exporters) grew by 10% in 2019 to $12 billion, EBITDA (net income) grew by 16% and by a staggering 58% for ICT companies. Notably, listed companies led that growth, accounting for 25% TIN200 revenue in 2019, but 45% of the $1.1 billion revenue growth.

Fortunately, as many tech companies achieved scale prior to COVID-19, they not only began to deliver metrics that could be understood by any investor, but exhibited qualities that set them apart from non-tech stocks. In particular, the 'business as a service' model delivered high recurring, predictable revenues, strong cash flows, sticky customers, marginal cost of new customer acquisition, faster growth and greater profitability.

This move to profitability was almost prescient, in how it anticipated the cold winds of an economic slowdown and ensured these companies either had balance sheets or investor support to last the COVID-19 economic winter, of 18-24 months that is expected.

Consequently the growth in market capitalisation of many listed TIN companies over the past 12 months, including the COVID-19 period, has been extraordinary. In the 12 months to 29 July 2020, the following share price increases for listed TIN companies were observed; Pacific Edge +289%, Pushpay +140%, F&P Healthcare +111%, Xero +48%, AFT Pharmaceuticals +30%.

This presents an immense opportunity for the NZX, because demonstrating that we can build really big, resilient successful companies will attract more local and foreign investors in Kiwi technology companies, and that will ultimately propel the tech sector to become the largest export sector in New Zealand, transforming our economy as a result.

"IN FUTURE, CLOUD COMPUTING COMPANIES WILL UTILISE AI (ARTIFICIAL INTELLIGENCE) TO ADD EVEN MORE VALUABLE CUSTOMER INSIGHTS AS THE CUSTOMER NETWORK AND VOLUME OF DATA GROWS."

Kiwi investors are increasingly voting with their wallets and being rewarded for it as our economy morphs through the COVID-19 sea change. The ultimate outcome of this will be to propel the tech sector to become the largest export sector in New Zealand.

That's an outcome that's going to have long-term benefits for New Zealand as a whole – both economic and societal. Let's make sure we don't lose sight of that in the midst of the current COVID-19 challenges.

Greg Shanahan
Managing Director
Technology Investment Network

*The TIN200 is the combined TIN100 and Next100 (1-200) companies ranked by revenue in the annual TIN Report.

SETTING THE SECTOR UP FOR SUCCESS

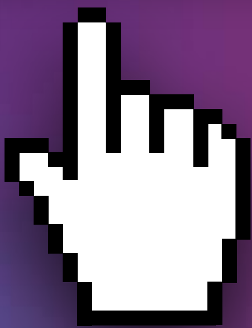
Our analysis shows tech has the opportunity to play a significant role in New Zealand's economic future, particularly with the impacts of COVID-19. To really get the best out of the tech sector we need to set them up for success:

If you can't measure it, you can't manage it –
Sourcing data relating to the tech sector was like a treasure hunt, without the fun. Analysing the data was made even more difficult given the definition of what a tech company is varies significantly and the sub industry classifications are not consistent and don't appear to align with the global classifications. To understand success we need to be able to measure, benchmark and monitor milestones and enterprise performance. All of this is really hard to do if there isn't consistent centralised data. Key industry and enterprise performance data points need to be defined and consistently collected to ensure an appropriate measure of performance and success.

Turn the talent tap on –
In order to accelerate and maintain growth within our Kiwi tech sector we need an agile and dynamic education strategy, with a strong focus on commercial rewards to entice and engage new talent. Rather than poaching our talent from similar industries, we should be focusing on channelling new ideas, being prepared to take risks and drawing inspiration from new talent and those with experience overseas. This will mean working hard to attract talent home, with possibilities to draw from initiatives used overseas such as China's Thousand Talents Plan, which fund the best capabilities in industries to move home to China. By taking these measures, we will not only be encouraging growth within the sector but helping provide immediate relief in expertise.

Home is where the heart is –
Let's make sure we set up the appropriate investment platforms in NZ to empower scaling and growth. If companies want to seek overseas buyers and sell their companies that is their prerogative, but let's make it hard for them to leave. We want our tech companies to have global relevance and scale in the global market, and at the same time we want investors to have the opportunity to recognise NZ innovation. The tech sector has contributed to more than 2,000 jobs in 2019. It's about thinking global, benefiting local.

Any questions?
Please just ask us...



Sarah Minhinnick
Head of Issuer Relationships
NZX
M: +64 21 813 589
E: sarah.minhinnick@nzx.com

Doug Vrame
Senior Relationship Manager
NZX
M: +64 27 298 3610
E: doug.vrame@nzx.com

James Sharp
Senior Relationship Manager
NZX
M: +64 27 237 1189
E: james.sharp@nzx.com

Julia Jones
Head of Analytics
NZX
M: +64 27 524 8901
E: julia.jones@nzx.com