

ASX: 9SP
ASX Release
28 January 2022

December 2021 Quarterly Activity Report and Appendix 4C

Highlights

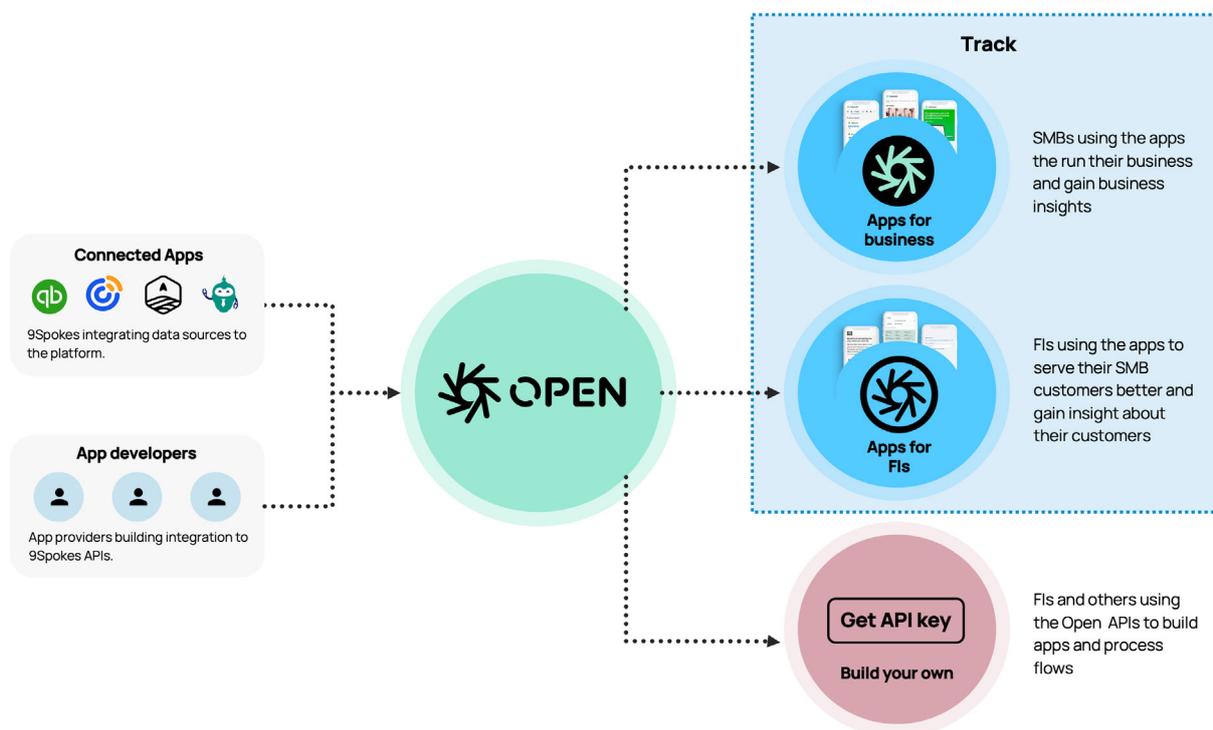
- Quarterly operating receipts of \$1.1 million.
- Net operating cash burn was \$1.6 million vs. \$1.8 million forecast.
- North American subscribers on 9Spokes platform now exceeds 285,000 businesses.
- Virgin Money UK deployment completed; platform deployed.
- Visa contract extended to include 9Spokes Open.
- Six new app connections; KashFlow, Pandle, Reckon, Stripe, Square, Clover.

Auckland, NZ | 28 January 9Spokes (ASX: 9SP or the “Company”), an open data platform focused on building digital solutions for businesses and financial institutions (FIs), is pleased to provide its quarterly business update and Appendix 4C for the three months ended 31 December 2021 (Q3 FY22).

All numbers are stated in New Zealand dollars (“NZD”) unless otherwise specified.

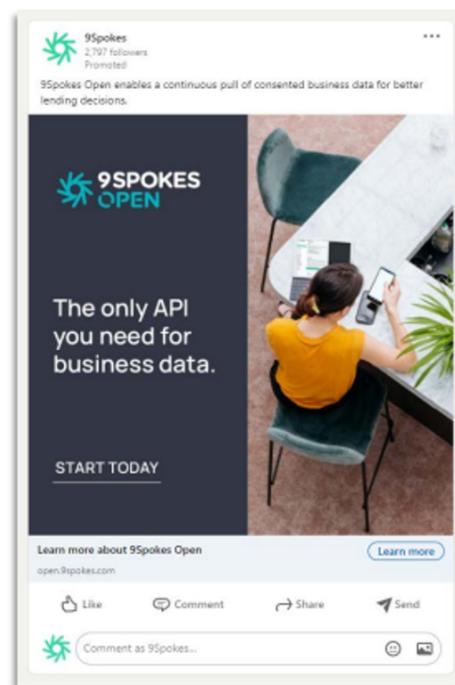
9Spokes Open

Following the launch of 9Spokes Open we have now completed a clear separation of our core products - 9Spokes Open and 9Spokes Track. 9Spokes Open is now the foundation of everything we do. Our Open Data API can be consumed directly by any organization wishing to utilize our data sets to build their own business Apps and provide an efficient and seamless user experience. The 9Spokes Open data sets power our 9Spokes Track Apps.



During the quarter:

- We extended our contract with Visa to include 9Spokes Open. Visa now has the full 9Spokes stack available to offer to FI customers as well as other partners in their ecosystem.
- Six new app connections were completed, being KashFlow, Pandle, Reckon, Stripe, Square, and Clover and commenced integration of Zettle, Amazon, Exact and Big Commerce.
- We have added additional functionality to 9Spokes Open including connecting further data end points to trial balances and journal entries.
- 9Spokes Open was integrated into the Microsoft Azure marketplace. 9Spokes Open can now be purchased directly by any Microsoft customer.
- At the end of January, we have a pipeline of 16 9Spokes Open active customer leads and we have signed our first customer contract for 9Spokes Open.



9 Spokes International Limited

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New Zealand
[9spokes.com](https://www.9spokes.com)

New Zealand company number 3538758
(ARBN 610 518 075)

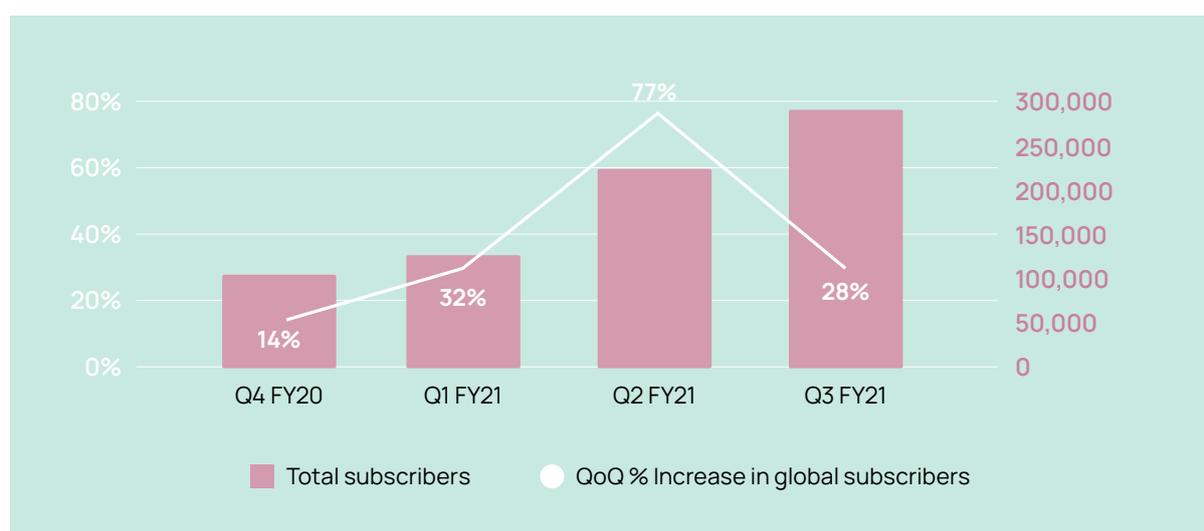


9Spokes Track

During the quarter:

- North American 9Spokes Track business subscribers increased by 85,000 to 285,000 businesses.
- Completed the delivery and deployment of our white label platform for Virgin Money UK. The Virgin branded M-Track solution (of which 9Spokes is a critical element) was beta launched with full launch scheduled for Q1 FY23.
- Launched 9Spokes Cash Flow Manager (“CFM”) in beta as a board within 9Spokes Track. Initially released to 9spokes.com, CFM will be incorporated into our white label channels in FY23 as we come off beta release.
- At the end of January, we have a pipeline of 18 9Spokes Track active customer leads.

Subscriber growth



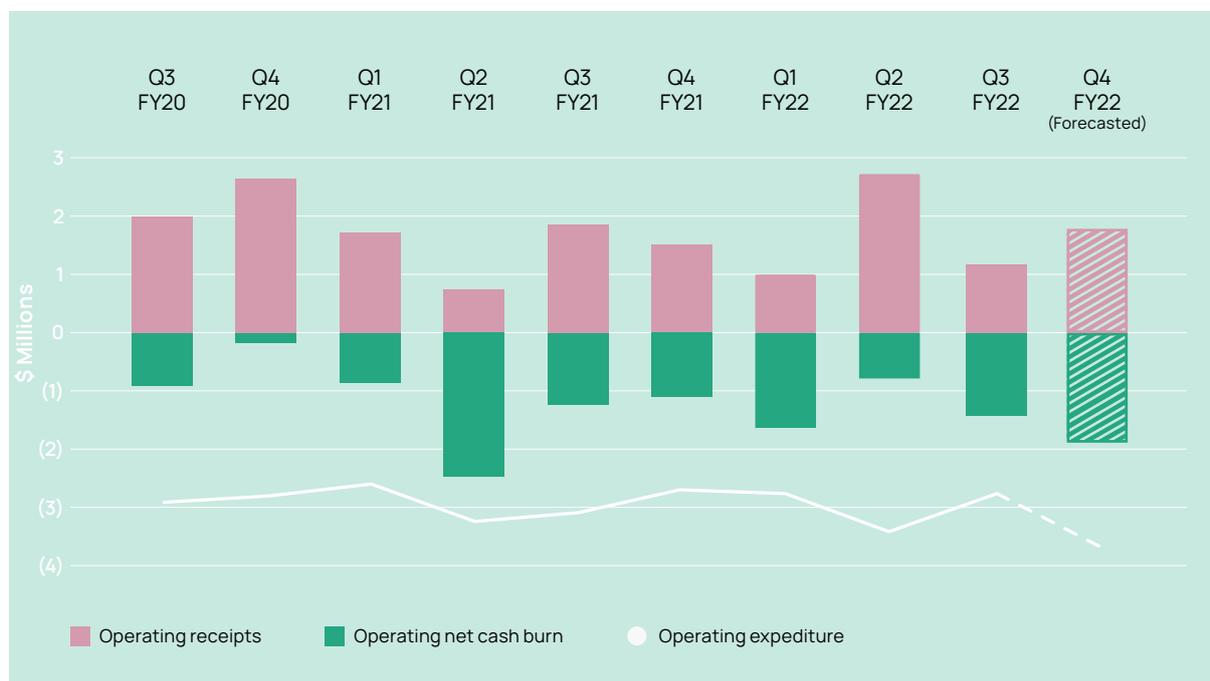
Operating receipts and expenditure

During the quarter, our operating receipts were \$1.1 million, operating expenditure was \$2.7 million, resulting in net operating cash burn of \$1.6 million vs forecast of \$1.8 million.

The expected cash burn for the quarter ending 31 March 2022 is \$1.8 million.



Quarterly Operating Cash Receipts, Expenditure and Burn



Related party transactions

During the quarter, 9Spokes made \$0.2 million in payments to its Directors for directors' fees, as well as payments to a related party for the provision of recruitment services.



9Spokes Chief Executive Officer, Adrian Grant, said: “During the quarter we continued to see strong growth in business subscribers using our platform. Again, this is particularly evident in the US market where we reported an increase of 85,000 business. Centralizing bank data, payments data & general ledger data is critical to working capital management for business and provides a blueprint for our product roadmap and continues to drive subscriber growth.

Our focus on building both the connection points – continually adding new App connections into 9Spokes Open and expanding our insight tiles, is providing businesses with a stronger optic on their performance and working capital requirement.

Adding payment connections such as Square & Stripe further provides businesses with a more complete view of their cash position. Historically most banks have operated a walled garden with regard to access to their own eco-system. This is now giving way to open eco-systems where banks are actively encouraging the integration of all the Apps and services that their customers use.

Our launch this quarter of 9Spokes Cash Flow Manager will progressively provide businesses with the ability to manage all of business cash flow management. For our banking partners the ability to understand live business performance will significantly remove time and data friction from the loan origination process. This is a core focus of both 9Spokes Track and 9Spokes Open.

In launching 9Spokes Open, organizations can not only build our data sets into their business Apps but can also integrate directly into credit decisioning engines. Accordingly, we have expanded our focus to now include neo-banks and alternative lenders, in addition to the larger FIs we have traditionally focused on.

Post quarter end we signed our first standalone 9Spokes Open contract. It is pleasing to see use cases that enable alternative payment mechanisms facilitated by 9Spokes Open.

During the quarter we added 9Spokes Open to our contract with Visa. Our partnership with Visa is a significant focal point for our shareholders particularly given we are now into our second year of our partnership, and we have not yet been in a position to announce a significant contract win. However, I want to reassure shareholders that the reasons we partnered with Visa remain equally strong today. Our level of collaboration both in developing our product and joint sales activity gives us confidence this partnership should ultimately deliver new customers and revenues.

Announcement authorised by 9Spokes' Chief Executive, Adrian Grant.



For further information, please contact:

Investor enquiries:

investors@9spokes.com

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

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

9 Spokes International Limited

ABN

58 610 518 075

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$NZ'000	Year to date (9 months) \$NZ'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,125	4,563
1.2 Payments for		
(a) research and development	(604)	(1,810)
(b) product manufacturing and operating costs	(223)	(686)
(c) advertising and marketing	(100)	(312)
(d) leased assets	(6)	(21)
(e) staff costs	(1,143)	(3,705)
(f) administration and corporate costs	(632)	(2,399)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	21	106
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	276
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,562)	(3,988)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(9)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (9 months) \$NZ'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
	2.5a Bank guarantee for lease released	-	425
	2.5b Bank guarantee for lease entered into	-	(51)
2.6	Net cash from / (used in) investing activities	-	365
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
	3.9a Repayment of principal portion of lease liabilities	(192)	(490)
	3.9b Interest on lease liabilities	(31)	(106)
3.10	Net cash from / (used in) financing activities	(223)	(596)

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (9 months) \$NZ'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,372	8,841
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,562)	(3,988)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	365
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(223)	(596)
4.5	Effect of movement in exchange rates on cash held	(49)	(84)
4.6	Cash and cash equivalents at end of period	4,538	4,538

5. Reconciliation of cash and cash equivalents	Current quarter \$NZ'000	Previous quarter \$NZ'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	4,538	6,372
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,538	6,372

6. Payments to related parties of the entity and their associates	Current quarter \$NZ'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	140
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

7. Financing facilities	Total facility amount at quarter end \$NZ'000	Amount drawn at quarter end \$NZ'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$NZ'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,562)
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,538
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	4,538
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	3
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 January 2022

Authorised by: 

Adrian Grant – Chief Executive Officer

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.