

ASX: 9SP
ASX Release
30 July 2021

June 2021 Quarterly Activity Report and Appendix 4C

Highlights

- 9Spokes signs a three-year contract with Virgin Money UK. The 9Spokes solution will form a core part of the bank's working capital health proposition.
- Kevin Phalen joined the Board as an independent non-executive Director.
- Business development remains focused on pipeline opportunities, including a paid proof of concept with a financial institution.
- Direct enterprise sales and campaign-based initiatives are ongoing.
- Category boards released on Track, the 9Spokes business dashboard, to support flexible, dynamic, cross-team views of business insights on a needs basis.
- Net operating cash burn was \$1.7 million, in line with the guidance provided last quarter.

Auckland, NZ | 30 July 9Spokes (ASX: 9SP or the "Company"), an open data platform focused on building digital solutions for businesses and financial institutions, is pleased to provide its quarterly business update and Appendix 4C for the three months ended 30 June 2021 (Q1 FY22).

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

Direct and partner sales pipeline

In June 2021, we signed a three-year contract with Virgin Money UK ("VMUK"). This includes a one-off build and implementation fee along with licence fees valued at US\$2.16 million over the term of the contract. We have commenced invoicing for implementation fees – to be fully receipted within two months of the launch date. Under the IFRS 15 accounting standards, implementation fees will be recognised as revenue over the term of the three-year contract.

The 9Spokes solution forms a core part of VMUK's working capital health proposition, which is anticipated to launch in Q3. Post Q1, we delivered the VMUK instance of the 9Spokes platform. At the launch date, VMUK will have 9Spokes Apps for Business – comprising Track, Connect, and Explore – and 9Spokes Apps for Banks – comprising Engage and Monitor.



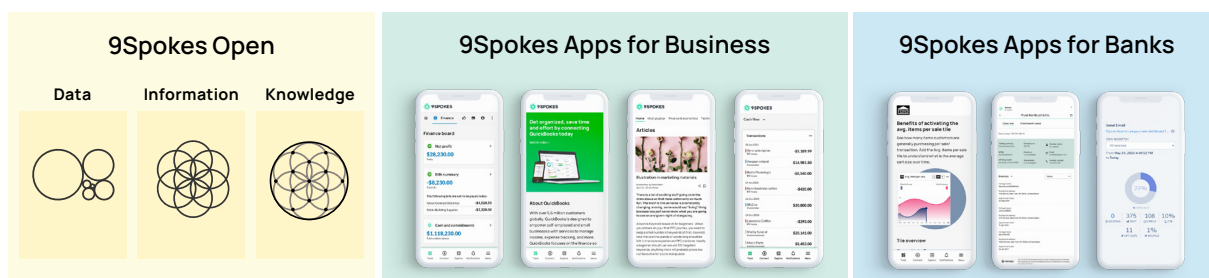
Ongoing business development remains focused on the opportunities in our pipeline. Pipeline activity includes running a paid proof of concept with a financial institution which is providing qualitative feedback targeted to that market and institution. Concurrently, we are running business development activities through direct enterprise sales and campaign-based initiatives.

Product and channel update

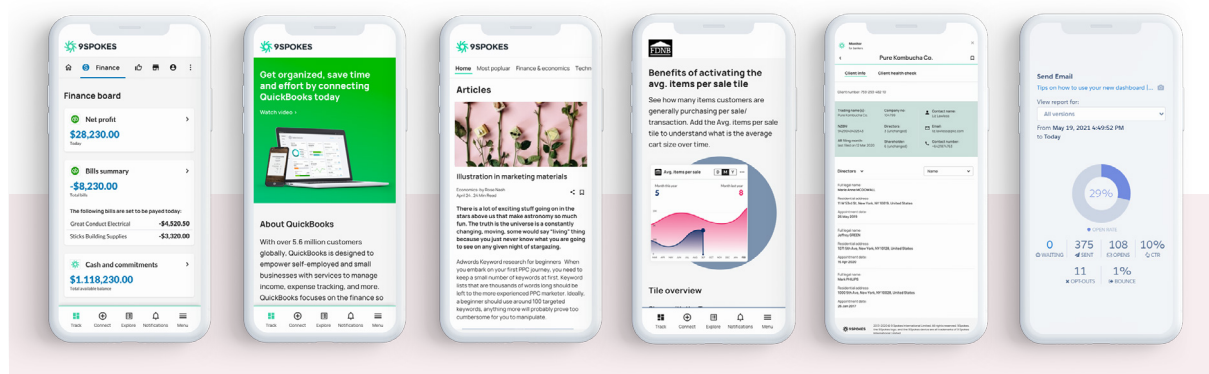
We are constantly working to innovate and enhance our proposition to deliver a great experience to our business customers and bank partners.

In our Market Update, we provided our strategy and focus on three product offerings, namely:

1. 9Spokes Open
2. 9Spokes Apps for Business
3. 9Spokes Apps for Banks

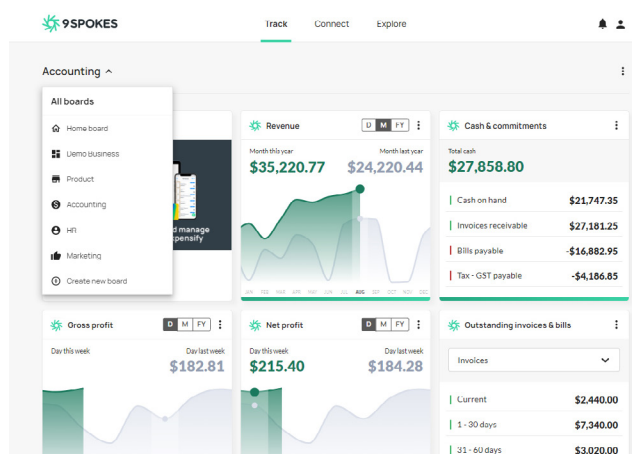


During the quarter, we focused on preparing for the launch of 9Spokes Open. Our platform is based on three insight layers – data, information, and knowledge – on which we have built 9Spokes Apps for Business and 9Spokes Apps for Banks. 9Spokes Open enables third parties to access our data sets through our open API to build their own business solutions or integrate their client's data into their platform.





We released category boards on Track, our business dashboard. Part of phased enhancements, ultimately boards will enable an account's users to create flexible, dynamic views of their business insights on a needs basis. For example, a user whose role is in finance can see data points relevant to that function and easily share their board with specific people to facilitate better collaboration.



In the current quarter, we are focusing on enhancements to Explore.

9Spokes Explore provides educational insights and resources for businesses. We are undertaking enhancements to aggregate content and provide personalized user experiences – ensuring the right information is always to hand. Based on campaign, audience, and intent data, 9Spokes Explore is a content destination for businesses. For frontline bankers, it can be used as an acquisition and engagement tool feeding 9Spokes Engage to generate leads in areas such as lending origination.

These product releases add depth to the customer experience and have a direct influence on customer acquisition and engagement.

People

Effective 27 June 2021, Kevin Phalen joined our Board of Directors (the “Board”). Kevin joins the Board as an independent non-executive Director. He will also sit on the Board’s Audit & Risk Committee and Remuneration & Nomination Committee.

Operating receipts and expenditure

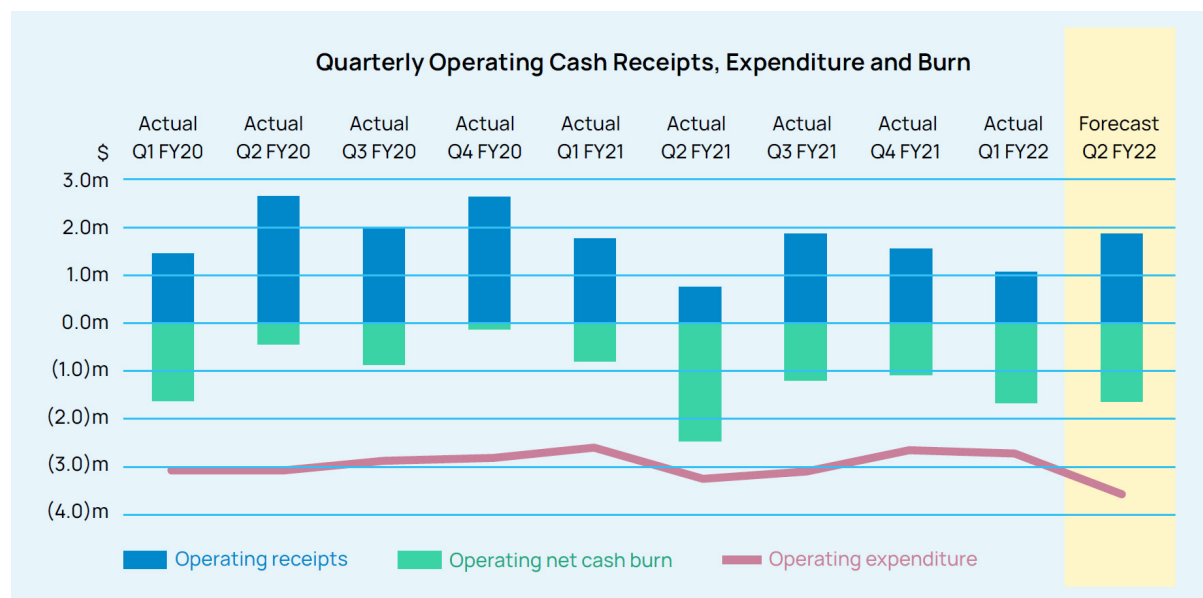
During the quarter, our operating receipts were \$1.0 million, this was below our forecast revenues due to delayed timing of receipts. Operating expenditure was \$2.7 million, resulting in net operating cash burn of \$1.7 million.

The expected cash burn for the quarter ending 30 September 2021 is \$1.7 million.

In the FY21 Annual Report there was a restatement of the FY20 opening cash and cash equivalents position. This was due to the reclassification of the \$425,000 bank guarantee – provided as security over the leased office space located at Level 4 AECOM House – from cash and cash



equivalents to other receivables. As part of the sublease arrangement, the \$425,000 guarantee was released. A new guarantee of \$51,000 was entered into for the new office space on Level 5 AECOM house. The result was a net release of cash of \$374,000.



Related party transactions

During the quarter, 9Spokes made \$0.1 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: "Q1 FY22 was a busy and rewarding quarter for the 9Spokes team. The sense of accomplishment that comes from first announcing our contract with Virgin Money and second – subsequent to the quarter close – delivering our platform to our new partner is truly energising.

"To add to this, during the quarter we prepared for – and have since launched – 9Spokes Open. In doing so we have taken our proposition to its next natural phase, moving from data platform to open data platform. Those of you who have followed 9Spokes will know this was always on the cards. With the right market headwinds in place, we found now to be the time.

"9Spokes Open adds another avenue to market to our core product. While we continue to focus on direct and enterprise sales of our 9Spokes Apps for Business and Apps for Banks, we will also undertake campaign-based initiatives to activate 9Spokes Open in market. 9Spokes Open is about enablement. Enabling third-party providers – businesses and developers – to use our data sets to build brilliant business solutions or integrate their client's data into their platform.



“We continue to enhance our apps to evolve with our customers’ needs and expectations. Our vision is to build a digital future. We do that by delivering an engaging proposition that provides tangible solutions to contemporary use cases.

“In market, we have been active during the quarter seeking to further raise brand awareness. On June 30, we hosted a live webinar on open data featuring myself and our CTO Jesper Petersen. Following its success, we’re excited to say the webinar is the first in an ongoing series. We were delighted to be shortlisted for the Open Banking Excellence Awards 2021 in the ‘Best app proposition – commercial’ category. In addition, we worked with Oliver Wyman and Visa to deliver a webinar hosted by the management consulting firm on reinventing the SME digital experience.

“It would be remiss of me not to mention the appointment of Kevin Phalen to the Board as an independent non-executive Director. Kevin brings a breadth of experience to the Board and 9Spokes.

“Excitement in Q1 was dampened by the subsequent agreement with Oversea-Chinese Banking Corporation (“OCBC”) not to extend the contract. However, we remain buoyant and are looking forward to the rest of FY22.

“Q2 is well underway. We’re dedicated to maintaining the momentum we have achieved. In our Annual Report, we laid out four areas of focus – partner, grow, innovate, and perform – as guiding principles of how we operate our business. Against these, we align our strategy as we drive towards growth.”

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



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

For further information, please contact:

Investor enquiries:

investors@9spokes.com

Media enquiries:

[Marie Cahalane](#)

Head of Content & Communications

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")

30 June 2021

Consolidated statement of cash flows	Current quarter \$NZ'000	Year to date (3 months) \$NZ'000
1. Cash flows from operating activities		
1.1 Receipts from customers	884	884
1.2 Payments for		
(a) research and development	(529)	(529)
(b) product manufacturing and operating costs	(160)	(160)
(c) advertising and marketing	(98)	(98)
(d) leased assets	(11)	(11)
(e) staff costs	(1,235)	(1,235)
(f) administration and corporate costs	(709)	(709)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	56	56
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	104	104
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,698)	(1,698)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (3 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	425
	2.5b Bank guarantee for lease entered into	(51)	(51)
2.6	Net cash from / (used in) investing activities	374	374

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	(111)	(111)
	3.9b Interest on lease liabilities	(40)	(40)
3.10	Net cash from / (used in) financing activities	(151)	(151)

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (3 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 (Restated)	8,841	8,841
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,698)	(1,698)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	374	374
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(151)	(151)
4.5	Effect of movement in exchange rates on cash held	(58)	(58)
4.6	Cash and cash equivalents at end of period	7,308	7,308

5. Reconciliation of cash and cash equivalents	Current quarter \$NZ'000	Previous quarter \$NZ'000 (Restated)
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	7,308	8,841
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)	7,308	8,841

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	122
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>	

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

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)	(1,698)
8.2 Cash and cash equivalents at quarter end (item 4.6)	7,308
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	7,308
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	4
<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:	
N/A	
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:	
N/A	
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:	
N/A	
<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: 30 July 2021



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.