

ASX: 9SP  
ASX Release  
29 October 2021

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## September 2021 Quarterly Activity Report and Appendix 4C

### Highlights

- Quarterly operating receipts of \$2.8 million.
- Net operating cash burn was \$0.7 million vs. \$1.7 million forecast.
- North American subscribers on 9Spokes platform now exceeds 200,000 businesses.
- Implementation of the Virgin Money UK platform completed; deployment scheduled for December 2021 quarter.
- 3 new app connections; Clearbooks, Constant Contact and Podium.
- Pipeline, 34 active customer leads, including 7 new Visa initiated leads.

**Auckland, NZ | 29 October** 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 September 2021 (Q2 FY22).

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

### Direct and partner sales pipeline

At the close of the September 2021 quarter, we were in active conversations for 34 opportunities, 7 of which were Visa generated.

### 9Spokes Open

With the launch of 9Spokes Open, business development activities have continued to broaden, appealing to different segments of the market. This in turn is changing the channels we are using to build our brand and coverage. 9Spokes Open targets those organisations who need access to consented financial and commerce data through a single API. We are seeing good interest from prospective customers whose solutions and services can benefit from blending consented live data with loan origination and loan management use cases.



## White Label Platform

Business development activities have focused on building a significant pipeline of opportunities. Last quarter we reported that we had conducted a paid proof of concept with a significant North American financial institution. This active lead continues to advance.

## Product update

### 9Spokes Open

This quarter we continued to add capability to the platform by turning on our developer portal which enables developers to self-service the configuration and management of connected data sources and customers.

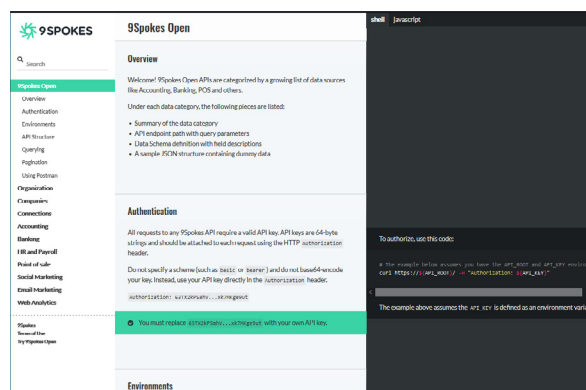
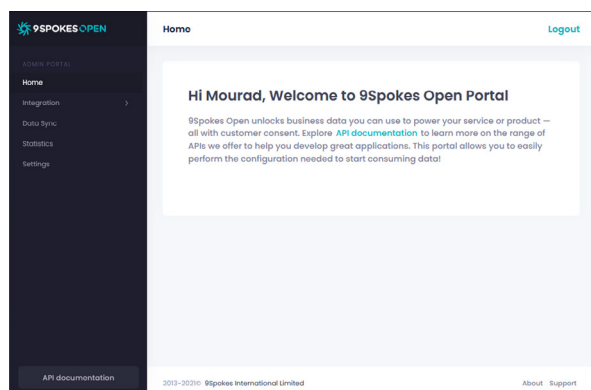
Three new app connections were completed and are now available through the 9Spokes Open API: Clearbooks, Constant Contact and Podium. Subsequently, we have connected to KashFlow, Pandle and Reckon which are also now available through the 9Spokes Open API. Work is currently underway to connect Stripe and Square.

### Developer Portal

[sandbox.api.9spokes.com/portal/home](https://sandbox.api.9spokes.com/portal/home)

### API Documentation

[developers.9spokes.io/](https://developers.9spokes.io/)



## Cash Flow Manager

Following the successful release of 9Spokes Open last quarter, the focus in Q2 has been on our cash flow tool. A consistent theme from our customers and partners is the importance of linking working capital requirements and lending decisioning with our platform capability. Following market research with SMBs and FIs, the release of our cash flow tool is scheduled to launch in the December

9 Spokes International Limited

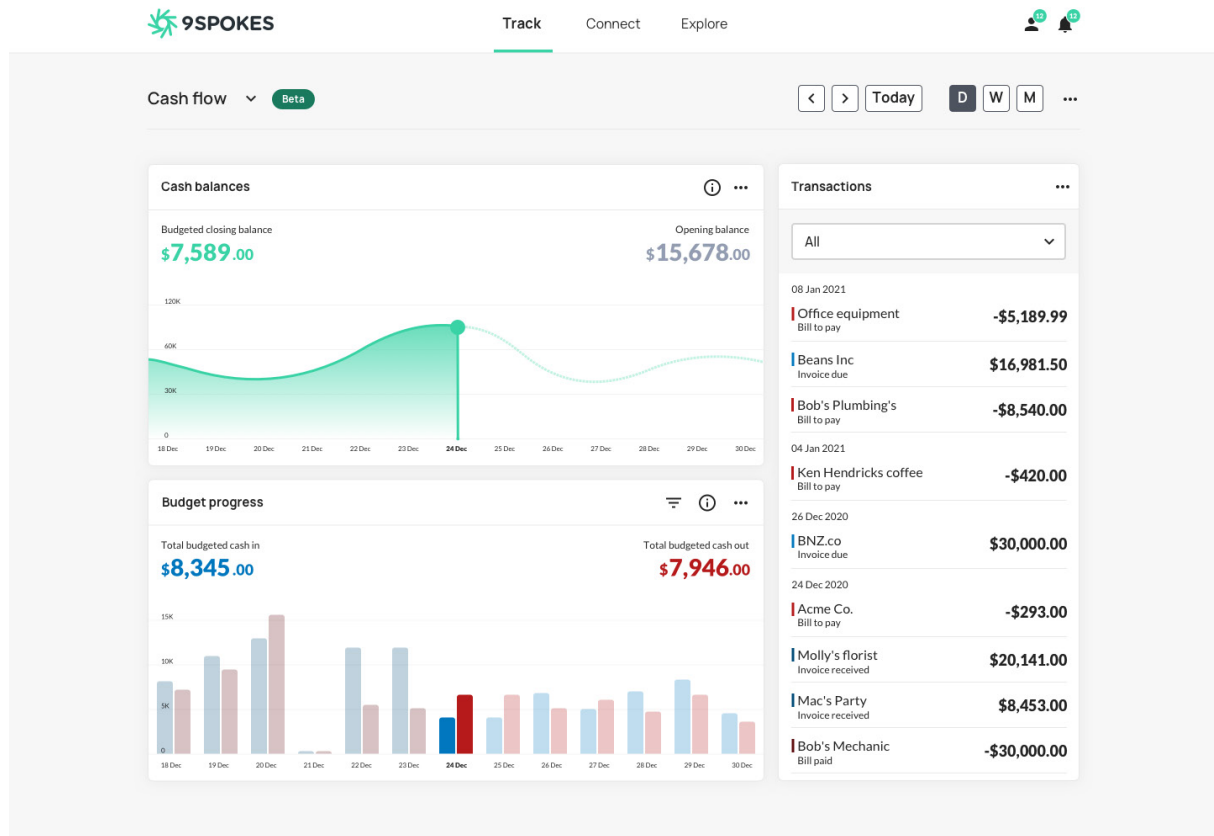
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New Zealand company number 3538758  
(ARBN 610 518 075)



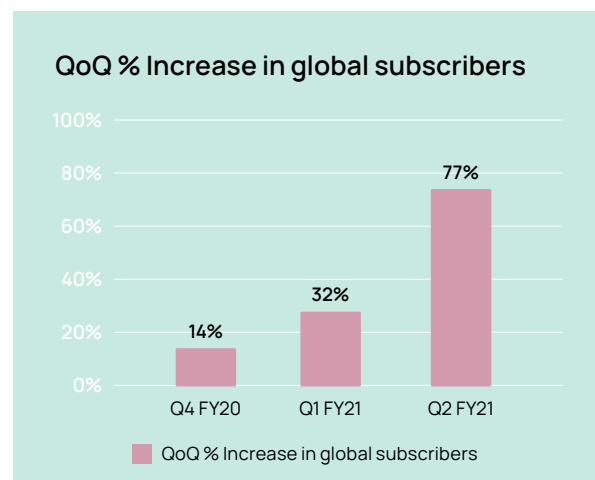
quarter. The tool will first be available on 9Spokes.com, before being introduced to our current FI customers' white labelled platforms. Our cash flow tool will initially be launched in beta as part of 9Spokes.com. A free trial period will be offered before shifting to a paid subscription model.



## Customer Update

During the quarter we have substantially completed our deployment with Virgin Money UK ("VMUK") in line with our agreed delivery plan. VMUK are expected to go live in the December quarter. At launch, pursuant to our three-year contract, we will commence invoicing license fees.

We have had strong quarter on quarter growth in subscribers (a business that has signed-up to the platform) particularly in North America. This growth has continued into the December quarter.



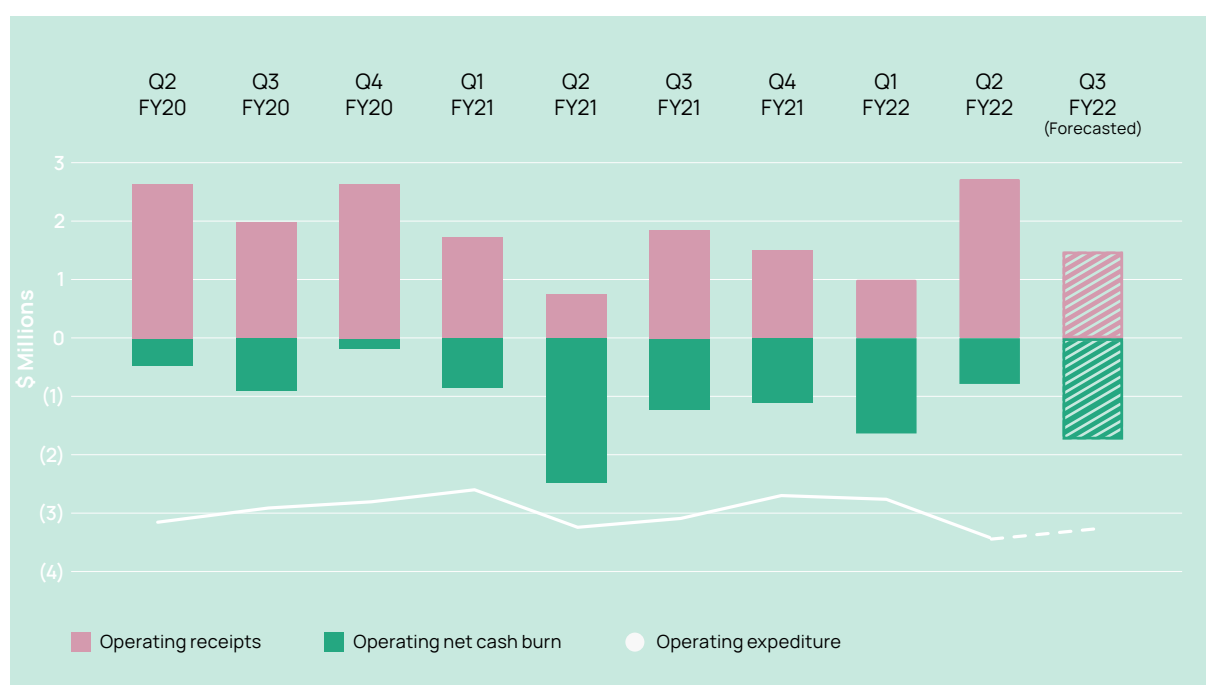


## Operating receipts and expenditure

During the quarter, our operating receipts were \$2.8 million. Customer collections were higher than forecast due to the early receipt of customer licence fees, along with the final payment of the FY21 Callaghan Grant. Operating expenditure was \$3.5 million, resulting in net operating cash burn of \$0.7 million. Operating expenditure was in line with the forecast provided last quarter and also included increased annual insurance premiums.

The expected cash burn for the quarter ending 31 December 2021 is \$1.8 million which includes a number of one-off payments relating to the implementation of new CRM software and additional SEO enhancements.

### 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:** “Q2 FY22 has seen real progress across the business. Our platform delivery to ‘VMUK’ has gone well. I look forward to the market release of the Virgin Money UK proposition – in typical Virgin style – it is game changing!

Last quarter we launched 9Spokes Open. This quarter we have focussed on continuing to build out our developer portal, sales enablement tools and ramped up business development for 9Spokes Open. There are now many use cases which support access to consented financial and commerce data. There is a clear parallel that also exists between open banking and open data. With phase one development work for 9Spokes Open largely complete, the focus is on integrating those key apps that SMBs use to service and run their businesses. In the last quarter we added three apps to the platform. Our goal in the December quarter is to connect and make available a further nine apps through the 9Spokes Open API. We believe the breadth of our connections will further support and highlight our position in the market. Our SMB and Bank Apps are all powered by 9Spokes Open. Our focus is to build further use cases that are independent of our own front-end solutions.

The imminent beta release of our cash flow tool will mark an important milestone. Our core SMB proposition through 9Spokes.com has been a free to market product but with the addition of our cash flow tool, we intend to commence subscription charging. Importantly, in future releases we will be able to offer a developer SDK from 9Spokes Open enabling any organisation to build their own front end using our cash flow tool’s immersed intelligence. A key feature of all our business development conversations with FIs invariably focus on the bridge between business performance, access to working capital and the ability to build this capability into our platform.

There is rightful focus on our partnership with Visa. There is no question, it has been a huge learning curve in our first year. However, we have now integrated our product and processes so they are aligned with Visa. In particular, we have unbundled all our products so they are now fully in line with how Visa go to market, and I am pleased we now have seven new Visa initiated leads.

Finally, we have now released subscriber numbers for our platform in the North American market. While we remain subject to contract restrictions on reporting, the number of businesses subscribed to our platform is a key measure of progress. As our proposition continues to become a core function of banking, so too has our ability to influence how our product is positioned. This has been a key learning for us. It is pleasing to see that as we refine our on-boarding journeys, add increasing functionality to our offering and connect more apps to our platform, we are seeing a corresponding increase in business registrations.”

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



**For further information, please contact:**

Investor enquiries:

[investors@9spokes.com](mailto: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](https://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")**

30 September 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$NZ'000</b>	<b>Year to date (6 months) \$NZ'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,554	3,438
1.2 Payments for		
(a) research and development	(677)	(1,206)
(b) product manufacturing and operating costs	(303)	(463)
(c) advertising and marketing	(114)	(212)
(d) leased assets	(4)	(15)
(e) staff costs	(1,327)	(2,562)
(f) administration and corporate costs	(1,058)	(1,767)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	29	85
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	172	276
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(728)</b>	<b>(2,426)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(9)	(9)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (6 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)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(9)</b>	<b>365</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	(187)	(298)
	3.9b Interest on lease liabilities	(35)	(75)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(222)</b>	<b>(373)</b>



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$NZ'000</b>	<b>Year to date (6 months) \$NZ'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	7,308	8,841
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(728)	(2,426)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	365
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(222)	(373)
4.5	Effect of movement in exchange rates on cash held	23	(35)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>6,372</b>	<b>6,372</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$NZ'000</b>	<b>Previous quarter \$NZ'000</b>
5.1	Bank balances	6,372	8,841
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6,372</b>	<b>8,841</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$NZ'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	177
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


<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$NZ'000</b>	<b>Amount drawn at quarter end \$NZ'000</b>
<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 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$NZ'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(728)
8.2 Cash and cash equivalents at quarter end (item 4.6)	6,372
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	6,372
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>9</b>
<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: 29 October 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.