

ASX: 9SP
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Appendix 4E – Preliminary Final Report 9 Spokes International Limited Year ended 31 March 2022

In accordance with Listing Rule 4.3A, please find attached the **Appendix 4E Preliminary Final Report** for the year ended 31 March 2022.



Yours faithfully,

Martin Montague
Company Secretary

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About 9 Spokes

9Spokes is a powerful business ecosystem with global scale. It offers modern businesses a management app that brings meaningful data together across a business, its apps, and its bank. Think of 9Spokes as a virtual advisor, here to motivate and guide businesses so they not only survive but grow and thrive.

Powered by bank and business data, 9Spokes delivers meaningful, personalized, and shareable insights to businesses to help inform their next move and steer them towards their goals. It's a collaborative resource that facilitates holistic conversations between businesses and their banks that go beyond just the financials, helping to improve visibility and reduce risk. Businesses gain a value-added business hub, while their banks get the insights needed to offer products and services better tailored to their customers' needs.

Find out more at 9spokes.com



Appendix 4E Preliminary Final Report

9 Spokes International Limited (ASX:9SP) (“9 Spokes” or “the Company”), ABN 610 518 075, presents its Appendix 4E report for the year ended 31 March 2022, incorporating results for the previous corresponding year ended 31 March 2021.

This report includes consolidated Financial Statements of 9 Spokes and its subsidiaries (“the Group”). All financial information included in this report is presented in New Zealand dollars, unless otherwise stated, which is the Company’s functional currency.

Results for announcement to the market

	2022 \$'000	2021 \$'000	Change \$'000	Change %
Income from operating activities	6,030	6,598	(568)	-9%
Loss from ordinary activities after tax and net loss for the period, attributable to members	(6,194)	(5,095)	(1,099)	-22%

Detailed results are presented in the audited annual report.

Commentary on the Results

Revenue

Total income for the year was \$6.0 million (2021: \$6.6 million). Our reported revenues comprise of implementation fees, annual platform license fees, development fees, and other revenue. Implementation fees are invoiced and receipted at the time of deployment and are then recognised over the initial term of a bank partner’s contract. For the year ended 31 March 2022, recognised implementation revenue was \$1.0 million (2021: \$1.0 million); deferred implementation fee revenue was \$1.9 million (2021: \$1.7 million). Platform access revenue for the year was \$4.2 million (2021: \$4.2 million).

The Group generated revenue of \$0.2 million (2021: \$0.5 million) from additional services provided to existing bank partners and development revenue. Grant income of \$0.5 million (2021 \$0.7 million) has reduced due to less research and development work being completed and more iterative work being focused on.

Expenditure

Total expenditure for the year ended 31 March 2022 was \$12.2 million (2021: \$11.6 million). The increase in expenditure was due to the work completed to properly consider the non-binding, indicative offer received and from pressures on the labour market leading to increases in the employee benefit expense to meet the market and retain staff. Cost management and control continue to be a key objective as we enter FY23.

Cash flow

Annual net cash outflows from operations were \$5.2 million (2021: \$5.0 million). The Group had an increase in receipts from customers as a result of the implementation fees received from Virgin Money and the early receipt of customer licence fees from one customer. The transition from the Callaghan Growth Grant to the Research and Development Tax Incentive (“RDTI”) has resulted in a decrease in the receipts from government grants due to differences in the schemes. The Growth Grant was paid quarterly with the final FY21 payment being receipted in FY22 while the RDTI scheme is a tax incentive, and any eligible payments will be receipted subsequent to filing our tax return. Payments to employees and suppliers increased by \$0.8 million due to the work completed to properly consider the non-binding, indicative offer received with a dual focus on a future capital raise alongside pressures on the labour market leading to the employee benefit expense increasing to meet the market and retain staff.



Cash and bank as at 31 March 2022 was \$3.0 million (2021: \$8.8 million).

Dividends or Distributions

There were no dividends or distributions for the year ended 31 March 2022.

Details of entities over which control has been gained or lost during the period

There were no entities over which control has been gained or lost during the year ended 31 March 2022.

Details of associates and joint venture entities

The Company has no associates or joint venture entities at 31 March 2022.

Earnings per share and net tangible assets per security

	2022	2021
Basic and diluted earnings per share	(\$0.0041)	(\$0.0037)
Net tangible assets per security	\$0.0925	\$0.4792

Accounting Standards

9 Spokes is incorporated in New Zealand. The Consolidated Financial Statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS), as appropriate for for-profit entities.

Audit Status

The Consolidated Financial Statements have been audited and contain an unqualified audit opinion with an emphasis of matter in respect of going concern. The audit report accompanies the Annual Report.