

ASX: 9SP
ASX Release
28 April 2022

March 2022 Quarterly Activity Report and Appendix 4C

Highlights

- Quarterly operating receipts of \$1.6 million.
- North American subscribers on 9Spokes platform increased by 81,250 (31%) during the quarter.
- Net operating cash burn was \$1.2 million vs. \$1.8 million forecast.
- In advanced negotiation with three financial institutions (FIs), 2 Visa led, for 9Spokes Track.
- First 9Spokes Open customer contracted during the quarter.
- UK open banking connections added – Danske Bank, HSBC and Royal Bank of Scotland.
- 9Spokes.com re-launched as a subscription service.

Auckland, NZ | 28 April 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 31 March 2022 (Q4 FY22).

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

9Spokes Open

9Spokes Open allows FIs and other businesses to access their customers’ data (with consent) to build new products or deliver better or more efficient solutions.

Key activities and milestones:

- In January 2022 we signed our first 9Spokes Open customer, Australian-based, RewardPay. RewardPay.com.au allows their customers to earn reward points by paying business expenses using their American Express credit card, even if their suppliers do not accept American Express.



RewardPay

- RewardPay customers will authorize 9Spokes Open to populate unpaid invoices from their accounting software directly into the RewardPay platform for payment approval, removing the need for them to manually enter invoices.
- 9Spokes is an open banking “Account Information Service Provider”. In the UK, during the quarter platform connections were made to Danske Bank, HSBC and Royal Bank of Scotland. Bringing bank account data into our eco-system supports, 9Spokes Open, 9Spokes.com and 9Spokes Track where it will power new banking tiles and our soon to be released money board in 9Spokes Track.
- Our work this quarter in relation to connecting new apps and adding new data end points is leading to the expectation that by the June quarter we will complete connections to Amazon Seller Central, Cin7, WooCommerce, Authorise.Net and BigCommerce.
- At the end of March, we had a pipeline of 13 9Spokes Open active customer leads.

9Spokes Track

9Spokes Track is 9Spokes' visualization, insights and analytics engine for SMBs and FIs, with full lifecycle automated marketing capability.

Key activities and milestones:

- During the quarter, North American 9Spokes Track business subscribers increased by 81,250 to 345,000 subscribers.
- 9Spokes.com (our direct to SMB offering) launched as a subscription service during the quarter. Within the subscription, UK users will be able to connect bank data and use the Cash Flow Manager.
- During the quarter development work continued on our new Banking Dashboard (pictured below) which is now in UAT and which visualizes, and offers insights into, a user's bank account data. We expect production release to commence in the June quarter.
- Work has continued to enable recent 9Spokes Open connections to power 9Spokes Track. In particular, connections to Stripe and Square are expected to be production ready in the June quarter.
- At the end of March, we had a pipeline of 23 9Spokes Track active customer leads.



Banking dashboard

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Track

Connect

Explore

Support

Settings

Banking dashboard
Today D W M

Today's balances

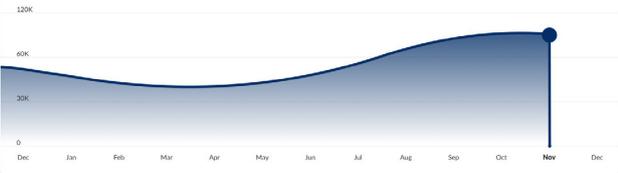
Total available balance
\$88,888.88

Business accounts	Balance
Checking Account *****9876	\$44,444.00
Savings Account *****9872	\$33,333.00

Personal accounts	Balance
Checking Account *****9876	\$11,111.00

Balance summary

Closing balance as of yesterday
\$88,888.88



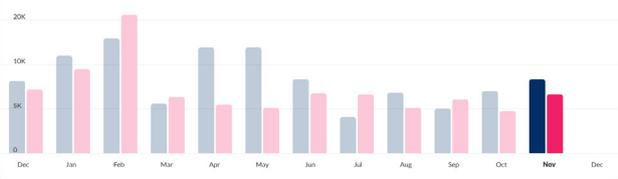
Scheduled transactions

Incoming

Date	Amount
22 March 2021	Pacific Gas & Electric Acc: *****9876 \$5,555.55
	Vodafone broadband Acc: *****6543 \$4,444.44
26 March 2021	American Water Acc: *****9876 \$2,222.22
22 April 2021	Pacific Gas & Electric Acc: *****9876 \$5,555.55
	Vodafone broadband Acc: *****6543 \$4,444.44
26 April 2021	American Water Acc: *****9876 \$2,222.22
28 April 2021	Adobe subscription Acc: *****9876 \$11,111.11
22 May 2021	Pacific Gas & Electric \$5,555.55

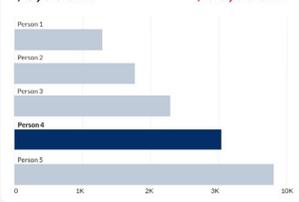
Transactions summary

Income **\$8,888.88** Spending **\$6,666.66**



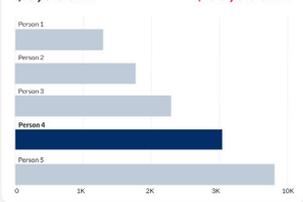
Top 5 inbound payees

Person 4 Total combined **\$3,333.00**



Top 5 outbound payees

Person 4 Total combined **\$3,333.00**



Loan accounts

Car loan **\$888.00**

Next payment **05/10/22**

Late charges **-\$20**

Interest rate **6.5%**

Payoff amount **\$7,654.00**

Card spending

Current balance **\$11,111.00**

Card 1 *****9876	-\$4,444.00
Card 2 *****9876	-\$2,222.00
Card 3 *****9567	-\$2,222.00
Card 4 *****9008	-\$2,222.00

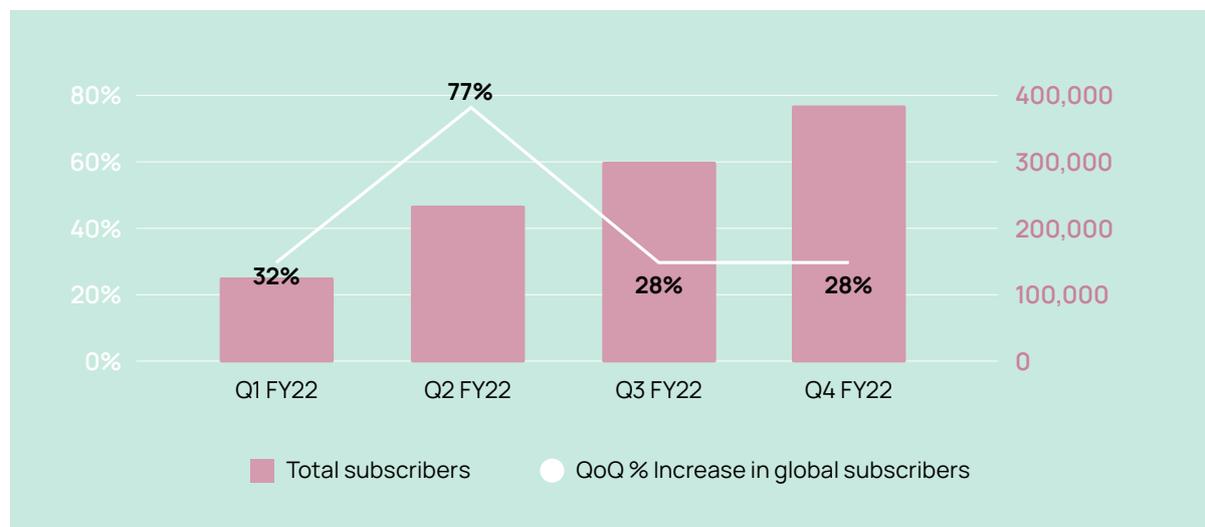


[Terms & conditions](#)

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Global subscriber growth



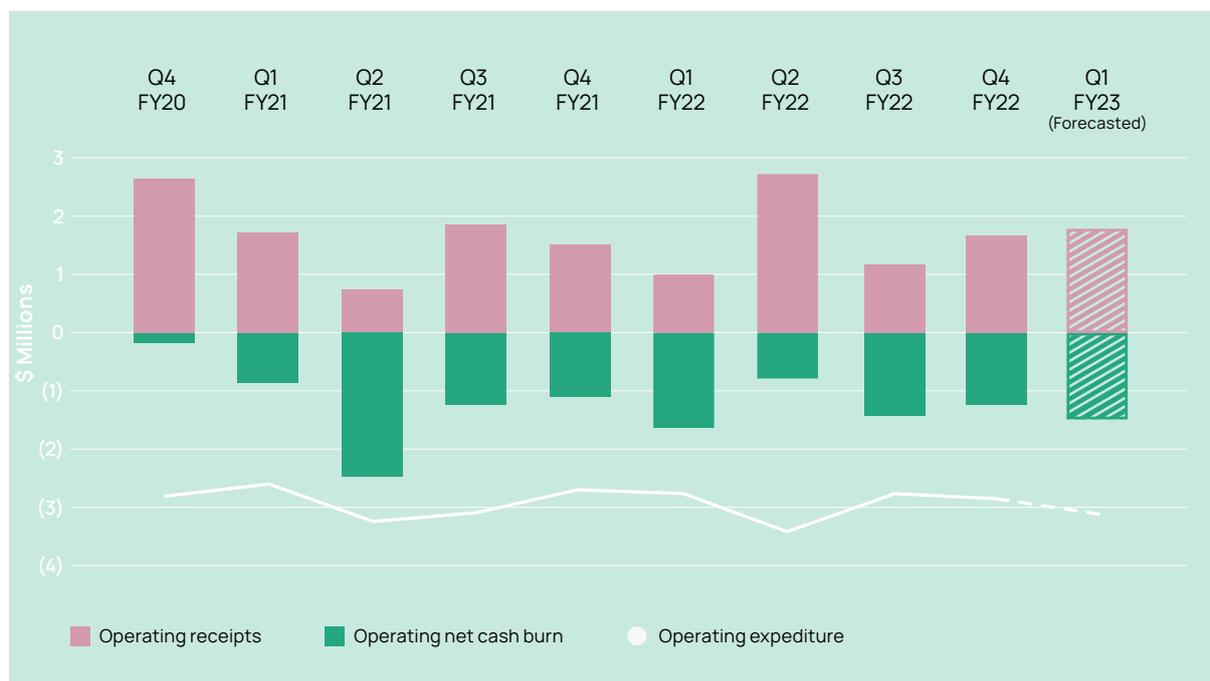
Operating receipts and expenditure

During the quarter, our operating receipts were \$1.6 million, operating expenditure was \$2.8 million, resulting in net operating cash burn of \$1.2 million vs forecast of \$1.8 million.

The expected cash burn for the quarter ending 30 June 2022 is \$1.4 million.



Quarterly Operating Cash Receipts, Expenditure and Burn



Related party transactions

During the quarter, 9Spokes made \$0.2 million in payments comprising directors' fees and payments for the provision of recruitment services.



9Spokes Chief Executive Officer, Adrian Grant, said:

“Our focus during the quarter continued to be on progressing sales conversions and building pipeline; both directly and with our reseller partner Visa. We ended the quarter with three deals in late-stage negotiation; two of which pleasingly are Visa led.

Now with a near-full contingent of business development managers in London, Chicago and Sydney, we are seeing good momentum which is reflected in the depth of the sales pipeline. Our BDMs are pursuing both direct sales opportunities and supporting opportunities through our partner Visa.

With two years of pandemic-related travel restrictions progressively being removed we are excited to be able to start reconnecting with customers and prospects. Similarly, following a significant period where FIs were largely focused on weathering the impact of the global pandemic, we are now seeing them turn their attention once more to strategic initiatives where our product set provides a good bridge between SMBs’ need for working capital solutions and FIs’ ability to provide it. Combined, these two factors give me reason for optimism heading into the new financial year.

During the quarter, particularly in the U.S. market, we continued to see strong growth in business subscribers using our platform. Over the next six months, as we release both Bank and Money Boards onto our platform and we continue to develop our Cash Flow Manager, we would expect to see an acceleration of user adoption. This strong growth in users is helping inform our other sales conversations.

During the quarter we completed the development work required to introduce a subscription model for 9Spokes.com. 9Spokes.com is an important pillar of our business as it provides an environment for us to roll-out and test new features quickly. We considered now was the time to introduce a subscription following the launch of our cash flow manager tool, the other product improvements released over the past 12 months and our product roadmap.

FY22 Financial Statements and a capital management update will be released by 31 May 2022.

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 March 2022

Consolidated statement of cash flows	Current quarter \$NZ'000	Year to date (12 months) \$NZ'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,620	6,183
1.2 Payments for		
(a) research and development	(783)	(2,593)
(b) product manufacturing and operating costs	(209)	(895)
(c) advertising and marketing	(44)	(356)
(d) leased assets	(10)	(31)
(e) staff costs	(1,391)	(5,096)
(f) administration and corporate costs	(381)	(2,780)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	123
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	(1,181)	(5,169)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	(15)	(24)
(j) investments	-	-
(k) intellectual property	-	-
(l) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$NZ'000	Year to date (12 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	(15)	350
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	(217)	(707)
3.9b Interest on lease liabilities	(26)	(132)
3.10 Net cash from / (used in) financing activities	(243)	(839)

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (12 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	4,538	8,841
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,181)	(5,169)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15)	350
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(243)	(839)
4.5	Effect of movement in exchange rates on cash held	(68)	(152)
4.6	Cash and cash equivalents at end of period	3,031	3,031

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$NZ'000	Previous quarter \$NZ'000
5.1	Bank balances	3,031	4,538
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)	3,031	4,538

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	173
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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. 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)	(1,181)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,031
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,031
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: 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: 28 April 2022

Authorised by: 

Adrian Grant – Chief Executive Officer