

ASX: 9SP
ASX Release
31 October 2022

September 2022 Quarterly Activity Report and Appendix 4C

Key activities

- Quarterly operating receipts of \$1.5 million.
- Net operating cash burn was \$1.1 million.
- North American subscribers on 9Spokes platform increased by 66,000 (16%) during the quarter to 480,000 subscribers.
- The Company completed an AU\$1.119m equity placement and has continued to progress through the Strategic Review of the Company and its operations as announced on 18 July 2022.

Auckland, NZ | 31 October 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 30 September 2022 (Q2 FY23).

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

Operating receipts and expenditure

During the quarter, our operating receipts were \$1.5 million, operating expenditure was \$2.6 million, resulting in a net operating cash burn of \$1.1 million vs forecast of \$2.8 million. This was due to the receipt of two customer receipts earlier than forecast, alongside earlier than forecast reduction in expenditure.

Related party transactions

During the quarter, 9Spokes made \$169,000 in payments to its Directors for directors’ fees, as well as payments to a related party for the provision of recruitment services.

Announcement authorised by the Board of 9Spokes.



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")

30 September 2022

Consolidated statement of cash flows	Current quarter \$NZ'000	Year to date (6 months) \$NZ'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,498	3,143
1.2 Payments for		
(a) research and development	(427)	(945)
(b) product manufacturing and operating costs	(323)	(504)
(c) advertising and marketing	(12)	(87)
(d) leased assets	(10)	(23)
(e) staff costs	(1,326)	(2,626)
(f) administration and corporate costs	(481)	(818)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	22
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,072)	(1,838)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	-	-
(j) investments	-	-
(k) intellectual property	-	-
(l) 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	-	-
	2.5b Bank guarantee for lease entered into	-	-
2.6	Net cash from / (used in) investing activities	-	-
3. Cash flows from financing activities			
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,241	1,241
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	(172)	(172)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	3.9a Repayment of principal portion of lease liabilities	(214)	(423)
	3.9b Interest on lease liabilities	(15)	(35)
3.10	Net cash from / (used in) financing activities	840	611

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (6 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	2,030	3,031
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,072)	(1,839)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	840	611
4.5	Effect of movement in exchange rates on cash held	(59)	(64)
4.6	Cash and cash equivalents at end of period	1,739	1,739

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	1,739	2,030
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)	1,739	2,030

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	169
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)	(1,072)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,739
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,739
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.6
<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:	
The Company continues to pursue revenue generating opportunities which, if successful, are anticipated to deliver higher levels of net operating cash flows.	
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:	
The Company continues to pursue revenue generating opportunities which, if successful, are anticipated to fund its operations beyond 2 quarters.	

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:

The Company continues to pursue revenue generating opportunities which, if successful, are anticipated to allow the Company to meet its business objectives when combined with the Company's cost out exercise which is already underway.

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.

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: 31 October 2022

Authorised by: 

The Board of 9Spokes