



ASX Announcement

21 January 2021

Whispir Limited

(ASX: WSP)

Appendix 4C – Q2 FY21

Whispir Limited (ASX ASX: **WSP**, **Whispir** or **Company**) is pleased to provide its Appendix 4C cash flow and activity report for the quarter ending 31 December 2020 (Q2 FY21, the Quarter).

Highlights

- Annualised Recurring Revenue (ARR) of \$47.4 million at end of Q2 FY21; 29.2% higher than the prior corresponding period (PCP) and up 8.5% on the quarter ended 30 September 2020 (Q1 FY21).
- Quarterly cash receipts increased 8.2% over Q1 FY21 to \$11.3 million.
- Acquired 42 net new customers during the Quarter, bringing total customers to 707 by the end of Q2 FY21.
- First quarter operating cashflow positive, at \$0.4 million.

Quarterly performance

Whispir had a strong December quarter with ARR increasing 29.2% over the PCP to \$47.4 million. This was up 8.5% compared to the September quarter.

Ongoing demand for communications software to automate processes and improve stakeholder engagement delivered quarterly cash receipts of \$11.3 million – a quarterly increase of 8.2%.

Existing customers were the main drivers of this growth, increasing platform usage to solve their communications challenges.

Whispir continues to build its global customer base, acquiring 42 net new customers during the Quarter. Now totalling 707, customer numbers are currently ahead of FY21 expectations. ANZ and Asia continue to account for most of this new customer growth.

Revenue growth and optimal management of working capital delivered Whispir's first operating cashflow positive quarter, at \$0.4 million. Slightly lower quarterly staff costs reflect the net effect of short-term incentive payments in Q1 FY21 being offset by a higher headcount in Q2 FY21, as the business continues to prepare and invest for growth.

Investment in product development, including AI-inferred intelligence, is supported by a cash and equivalents balance of \$10.9 million as at 31 December 2020.

Commenting on Whispir's Q2 FY21 performance, CEO Jeromy Wells said, "Whispir is benefitting from existing customers continuing to increase their usage of the platform to improve internal and external communications and digitise their operational processes. Many organisations are evolving processes to cater to new operating environments, which require more integrated communications with internal and external stakeholders.

"Strong revenue growth from our install base reflects the long-term nature of our customers, now supported by a larger customer success team.

"We're seeing more organisations looking to implement our versatile and easy-to-use technology platform that can be used by multiple departments for a broad range of communication solutions. As Whispir integrates with existing IT systems and can be deployed

within a matter of days without developer expertise, our platform provides an immediate and cost-effective communications solution.”

Payments to related parties and their associates during the Quarter totalled \$0.246 million. These comprised Directors’ fees and expenses for the Quarter as well as the CEO’s base remuneration for Q2 FY21.

Outlook

Whispir continues to expand its footprint across its three key regions and remains on track to achieve its FY21 guidance. The ANZ and Asia operations continue to perform well, and the recently released North American strategy is preparing the Company for long-term growth in the region.

CEO Jeromy Wells said, “As COVID-19 continues to disrupt businesses globally, it has never been more important for organisations to effectively engage with their stakeholders using contextually relevant, personalised, two-way communications. We continue to invest in our platform’s functionality, building AI-inferred intelligence to ensure our customers achieve the highest engagement rates possible.”

The H1 FY21 results are in the process of being finalised and reviewed by the Company’s auditors.

Whispir expects to release its Appendix 4D and results for 1H FY21 on 18th February 2021. This will be accompanied with an investor call at 9.00am on that day, details for which will be released ahead of the call.

Authorised by the Disclosure Committee

-ENDS-

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About Whispir

Whispir is a global scale SaaS company, founded in 2001 to provide a communications workflow platform that automates interactions between organisations and people.

Our products enable organisations to improve their communications through automated workflows to ensure stakeholders receive accurate, timely, useful and actionable insights in a manner that is sensitive to individual contexts and preferences. Our customers use Whispir’s software to create interactive, multi-party and omnichannel communications from templates, solving simple to complex communications workflow tasks.

Whispir operates across three key regions of ANZ, Asia and North America.

More information www.whispir.com

Appendix 4C

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

Name of entity

WHISPIR LIMITED

ABN

89 097 654 656

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	11,328	21,790
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(2,995)	(7,183)
(c) advertising and marketing	(989)	(2,008)
(d) leased assets		
(e) staff costs	(6,090)	(12,298)
(f) administration and corporate costs	(742)	(1,645)
1.3 Dividends received (see note 3)		
1.4 Interest received	42	45
1.5 Interest and other costs of finance paid	(112)	(237)
1.6 Income taxes paid	(29)	(29)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	413	(1,565)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(174)	(244)
(d) investments		
(e) intellectual property	(1,314)	(2,424)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(f) other non-current assets		
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 (term deposits)	(2)	1
2.6 Net cash from / (used in) investing activities	(1,490)	(2,667)

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	-	115
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 (Payment of Finance Lease Liabilities)	(129)	(271)
3.10 Net cash from / (used in) financing activities	(129)	(156)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	12,026	15,217
4.2 Net cash from / (used in) operating activities (item 1.9 above)	413	(1,565)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,490)	(2,667)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(129)	(156)
4.5	Effect of movement in exchange rates on cash held	55	46
4.6	Cash and cash equivalents at end of period	10,875	10,875

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 \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,856	3,448
5.2	Call deposits	5,019	8,578
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)	10,875	12,026

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	246
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<p>Payments to related parties and their associates during the quarter totalled \$0.246 million. These comprised Directors' fees and expenses for Q2 FY21 and the CEO's base remuneration and expenses for Q2 FY21.</p> <p><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></p>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'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 (Credit Cards)	98	48
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		50
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.		
Credit card facilities are utilised across three providers: <ul style="list-style-type: none"> • NAB AUD 50k, secured at 12.75%. • Silicon Valley Bank USD 10k, unsecured at 15.37%. • Amex AUD 35k, unsecured 20.74%. 		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	413
8.2 Cash and cash equivalents at quarter end (item 4.6)	10,875
8.3 Unused finance facilities available at quarter end (item 7.5)	50
8.4 Total available funding (item 8.2 + item 8.3)	10,925
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<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: 21 January 2021

Authorised by: By the Disclosure Committee

(Name of Body or officer authorising release – see note 4)

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.