



ASX Announcement

21 July 2021

Whispir Limited

(ASX : WSP)

Appendix 4C – Q4 FY21

Whispir Limited (ASX:WSP, **Whispir** or **Company**) provides its Appendix 4C cash flow and activity report for the quarter ending 30 June 2021 (Q4 FY21, the Quarter).

Highlights

- Q4 FY21 Annualised Recurring Revenue (ARR) of \$53.6 million increased 28.5% on Q4 FY20
- Customer revenue retention was strong at 115.9% underpinning stable and sustainable ARR growth
- Continued customer growth with 51 net new customers onboarded in Q4 FY21 taking total customers to 801; growth of 27.1% on Q4 FY20
- Q4 FY21 cash receipts of \$13.5 million; 18.9% higher than Q4 FY20
- Whispir is well-funded to accelerate its growth strategy with a cash and equivalents balance of \$49.2 million

Quarterly performance

Whispir continues to grow ARR, cash receipts and new customers as the structural shift towards digital stakeholder engagement continues across the globe.

Whispir's Q4 FY21 ARR was \$53.6 million representing an increase of 28.5% on the prior corresponding period (pcp) and 6.6% on the March quarter. This quarter on quarter growth was largely driven by existing customers increasing their usage on the Whispir platform.

Customer revenue retention was strong at 115.9% and underpins sustainable ARR growth.

Whispir onboarded 51 net new customers during the Quarter taking total customers to 801 at 30 June 2021; 27.1% growth on pcp.

Customer cash receipts in Q4 FY21 were \$13.5 million, up 18.9% on pcp reflecting strong underlying business growth and a reduction in receivables.

Operating cash outflows increased by \$2.5 million or 22.1% on pcp, due to increased platform usage as well as increased staff costs, both of which reflect increased business activity during the Quarter and ongoing investment to support future growth. As a result, net operating cash outflow was \$0.5 million, \$0.4 million lower than pcp. Payments to related parties and their associates during the Quarter were \$0.3 million. These payments represent Director fees, salaries and related expenses.

The Company enters FY22 in a strong financial position to continue funding its ongoing product development and customer growth – in particular in the attractive North American market – with a strong cash and equivalents balance of \$49.2 million at 30 June 2021.

Commenting on the Quarter, Whispir CEO Jeromy Wells said, “The structural shift by organisations to digital stakeholder communication continues to gain momentum and we are seeing this through new customer sign-ups and increasing usage across our existing customer base.

“To capitalise on this growing demand, we are investing in artificial intelligence and machine learning to accelerate the development of our data-led product roadmap. Sales and marketing activities also continue to be a focus as we support new and existing customers across all key regions, including our largest market opportunity in North America.”

Sales and channels

Whispir continues to leverage its channel partnerships to cost-effectively acquire new customers across its three key regions. In ANZ, Whispir onboarded a diverse set of new customers in Q4 FY21 including Victoria Police and Worksafe New Zealand. In Asia, OCBC Bank and Property Hub were onboarded. While in North America, where Whispir is focused on the underserved ‘small-to-medium’ enterprises, FPI were onboarded along with the City of Oak Hill.

Mr Wells said, “Our Australian and New Zealand customer base continues to outperform expectations. North America continues to gain momentum while COVID-19 has presented some challenges, and disruption, across parts of our operations in Asia. This isolated regional impact has led to a short-term delay in revenue activation from some newly acquired customers in the region.”

Product Roadmap

Whispir’s product roadmap is focused on building a competitive advantage. This is achieved by increasing engagement and enhancing messaging value for customers.

Throughout Q4 FY21 good progress was made in building prediction, detection and automation capabilities and enhancing platform functionality. The Company completed a range of projects that significantly enhance accuracy for message type prediction and tone of voice analysis and built an algorithm that allows the measurement of engagement across all channels.

Outlook

The Company remains focused on increasing customer numbers, platform usage and revenue performance across ANZ, Asia and North America in line with its long-term growth strategy.

Mr Wells concluded, “We’re focused on leveraging the accelerating structural shift to digital stakeholder communication and delivering upon our longer-term business objectives of scaling our global presence and increasing revenue contribution from our international markets.

“During Q4 Whispir delivered strong ARR and customer growth and made excellent progress across our product development pipeline. We saw business sentiment rebound in North America, as the COVID-19 vaccine roll-out program progressed and strong uptake across Australia and New Zealand. Recent outbreaks of COVID-19 in Asia temporarily dampened sentiment in the region but we maintain our strong conviction in this market’s growing appetite for digital investment.

“Looking ahead we see substantial opportunity for growth in the underserved North American SME market, and our capital raising earlier in the year positions us well to continue unlocking these opportunities in FY22.”

The Company will announce its FY21 Results on 25 August 2021.

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	Quarter ended ("current quarter")
89 097 654 656	30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	13,479	46,201
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(4,611)	(15,855)
(c) advertising and marketing	(1,272)	(4,369)
(d) leased assets		
(e) staff costs	(7,070)	(25,445)
(f) administration and corporate costs	(1,012)	(3,446)
1.3 Dividends received (see note 3)		
1.4 Interest received	116	185
1.5 Interest and other costs of finance paid	(101)	(444)
1.6 Income taxes paid	(3)	(114)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(474)	(3,287)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(223)	(1,090)
(d) investments		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(e) intellectual property	(1,284)	(5,043)
	(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)	(149)	(147)
2.6	Net cash from / (used in) investing activities	(1,656)	(6,280)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		45,951
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	6	127
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(144)	(2,003)
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)	(130)	(540)
3.10	Net cash from / (used in) financing activities	(268)	43,535

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	51,655	15,217
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(474)	(3,287)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,656)	(6,280)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(268)	43,535
4.5	Effect of movement in exchange rates on cash held	(84)	(12)
4.6	Cash and cash equivalents at end of period	49,173	49,173

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	48,663	51,145
5.2	Call deposits	510	510
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)	49,173	51,655

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	252
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 \$0.252 million. These comprised Directors' fees and expenses for Q4 FY21 and the CEO's base remuneration and expenses for Q4 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 <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	98	26
7.4	Total financing facilities	98	26
7.5	Unused financing facilities available at quarter end		72
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)	(474)
8.2	Cash and cash equivalents at quarter end (item 4.6)	49,173
8.3	Unused finance facilities available at quarter end (item 7.5)	72
8.4	Total available funding (item 8.2 + item 8.3)	49,245
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	104
	<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: <div> <div>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?</div> <div>Answer:</div> </div> <div> <div>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?</div> <div>Answer:</div> </div> <div> <div>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?</div> <div>Answer:</div> </div>	
	<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 July 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.