



ASX Announcement

22 April 2021

Whispir Limited

(ASX : WSP)

Appendix 4C – Q3 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 March 2021 (Q3 FY21, the Quarter).

Highlights

- Annualised Recurring Revenue (ARR)* increased 20.3% over the prior corresponding period to \$50.3 million, up 5.2% on the December quarter.
- Quarterly cash receipts of \$10.9 million were 22.5% higher than the same period last year.
- Continued strong growth in net new customers with 43 onboarded during the quarter, bringing total customers to 750, up 192 on the prior corresponding period.
- Well-funded for growth with a cash and equivalents balance of \$51.7 million, following successful \$45.9m capital raising.
- On track to achieve FY21 guidance.

Quarterly performance

Whispir had a productive March quarter with strong growth in ARR, quarterly cash receipts and customer numbers compared to the same period last year.

ARR increased 20.3% over the same period last year to \$50.3 million, a quarterly increase of 5.2%. Whispir's underlying business remains strong, and the Company is on track to achieve its FY21 ARR guidance. Strong customer growth continues with 43 net new customers acquired during Q3 FY21, bringing total customer numbers to 750. This includes 11 new customers in North America.

Quarterly cash receipts of \$10.9 million increased 22.5% over the previous corresponding period, but were down 3.5% on the strong December quarter, due to working capital movements on a quarter-to-quarter basis. Likewise, net cash used in operating activities for the quarter of \$1.2 million was similarly impacted by working capital movements and underlying profitability.

Payments to related parties and their associates during the Quarter totalled \$0.25 million, comprising Directors' fees and expenses as well as the CEO's base remuneration for Q3 FY21.

In Q3 FY21, Whispir's cash investment in research and development totalled \$2.3 million, increasing year-to-date investment to \$6.9 million as the Company builds its AI and machine learning functionality.

Whispir is well-funded for growth with a cash and equivalents balance of \$51.7 million as at 31 March 2021, following a \$45.3 million share Placement to new and existing institutional investors at \$3.75 per share. A further \$0.6 million was raised via a Share Purchase Plan for retail investors at the same price.

CEO Jeromy Wells said, "Our successful capital raising during the Quarter ensures we are able to fast-track our product development and increase our sales and marketing capability to scale the business faster, particularly in Asia and North America where we have large addressable target

* Based on the revised ARR definition that eliminates volatility caused by differing number of days a month. Refer to ASX announcement on 19 April 2021.

markets. In ANZ, we are successfully using our land and expand strategy to not only acquire new customers but increase platform usage by our existing customer base.

“While we are continuing to build our customer base, existing customers remain the primary driver of revenue growth. This reflects the stickiness of our platform which easily integrates with existing IT systems and can be used for multiple use cases.”

Sales and channels

In Q3 FY21, Whispir leveraged its channel partnerships with established brands to cost-effectively acquire new customers in all three regions. In Australia, Whispir renewed its business partner agreement with Telstra Corporation Limited for a three-year period on the same terms and conditions. In collaboration with Telstra, Whispir continues to onboard new enterprise and government customers including ANZ Bank and the Commonwealth Department of Foreign Affairs and Trade (DFAT).

Whispir’s partnership with Indonesian telecommunications company, Indosat Ooredoo, is increasing the Company’s footprint in Asia. New customers onboarded during the Quarter include broadband provider Ericsson and digital creative agency SWA Digital.

In North America, Whispir has new go-to-market initiatives underway with NASDAQ-listed 8x8 and is building its presence within the Amazon Web Services (AWS) ecosystem. Whispir also established a partnership with a key North American local government association, Engaging Local Government Leaders (ELGL). These channel partnerships further support the Company’s digital marketing campaigns, targeting underserved SME and SMB organisations with revenues ranging from US\$10 million to US\$1 billion. New North American customers added in the Quarter include Oak Hill City, San Juan County and Attention Media.

Products

Whispir continues to build its prediction, detection, and automation capabilities, adding new features and enhancing platform functionality. Improvements over the Quarter included updates to contacts, new templated buttons for web, AI-inferred recipient report to calculate engagement, and automated webform response capture. Whispir also commenced beta-testing a new AI-driven message type predictor.

Greater data insights and platform intelligence will make communications sent through the platform more effective, increasing engagement and enhancing message value for Whispir’s customers. This communications intelligence capability further enhances Whispir competitive advantage.

Outlook

Whispir is on track to achieve its FY21 guidance, targeting ARR in the range of \$53.0 - \$55.3 million and revenue of between \$49.0 - \$51.0 million. The Company remains focused on executing its long-term growth strategy; increasing customer numbers, platform usage, and revenue in ANZ, Asia and North America.

CEO Jeromy Wells said, “Our strengthened balance sheet enables us to accelerate our international expansion to support our longer-term business objectives of 50% of total group revenue being generated internationally by the end of FY23. Given the strength of our ANZ business, we’re increasing our investment in technology and headcount in Asia and North America to drive customer acquisition and product-led growth.”

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 March 2021

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 10,932 | 32,722 |
| 1.2 Payments for | | |
| (a) research and development | | |
| (b) product manufacturing and operating costs | (4,061) | (11,244) |
| (c) advertising and marketing | (1,089) | (3,097) |
| (d) leased assets | | |
| (e) staff costs | (6,077) | (18,375) |
| (f) administration and corporate costs | (789) | (2,434) |
| 1.3 Dividends received (see note 3) | | |
| 1.4 Interest received | 24 | 69 |
| 1.5 Interest and other costs of finance paid | (106) | (343) |
| 1.6 Income taxes paid | (82) | (111) |
| 1.7 Government grants and tax incentives | | |
| 1.8 Other (provide details if material) | | |
| 1.9 Net cash from / (used in) operating activities | (1,248) | (2,813) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | | |
| (b) businesses | | |
| (c) property, plant and equipment | (623) | (867) |
| (d) investments | | |
| (e) intellectual property | (1,335) | (3,759) |
| (f) other non-current assets | | |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'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 (term deposits) | 1 | 2 |
| 2.6 | Net cash from / (used in) investing activities | (1,957) | (4,624) |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 45,951 | 45,951 |
| 3.2 | Proceeds from issue of convertible debt securities | | |
| 3.3 | Proceeds from exercise of options | 6 | 121 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (1,859) | (1,859) |
| 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) | (139) | (410) |
| 3.10 | Net cash from / (used in) financing activities | 43,959 | 43,803 |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 10,875 | 15,217 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,248) | (2,813) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (1,957) | (4,624) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 43,959 | 43,803 |

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

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.5 | Effect of movement in exchange rates on cash held | 26 | 72 |
| 4.6 | Cash and cash equivalents at end of period | 51,655 | 51,655 |

| 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 | 51,145 | 5,856 |
| 5.2 | Call deposits | 510 | 5,019 |
| 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) | 51,655 | 10,875 |

| 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 | 249 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | |

Payments to related parties and their associates during the quarter totalled \$0.249 million. These comprised Directors' fees and expenses for Q3 FY21 and the CEO's base remuneration and expenses for Q3 FY21

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 <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 | 50 |
| 7.4 Total financing facilities | 98 | 50 |
| 7.5 Unused financing facilities available at quarter end | | 48 |
| 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) | (1,248) |
| 8.2 Cash and cash equivalents at quarter end (item 4.6) | 51,655 |
| 8.3 Unused finance facilities available at quarter end (item 7.5) | 48 |
| 8.4 Total available funding (item 8.2 + item 8.3) | 51,703 |
| 8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1) | 41 |
| <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:

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: 22 April 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.