



ASX Announcement

20 July 2020

Whispir Limited
(ASX:WSP)

Appendix 4C – Q4 FY20

Whispir Limited (**ASX: WSP, Whispir or Company**) is pleased to provide its Appendix 4C cash flow report and update for the quarter ending 30 June 2020 (**Q4 FY20**).

Highlights

- Annualised Recurring Revenue rose 35.7% over prior-year corresponding period to \$42.2 million, an increase of 4.2% on the March quarter, driven by growth in ANZ and Asia.
- Quarterly customer cash receipts of \$11.3 million, up 27% on prior quarter and 36.5% on prior corresponding period.
- Second consecutive quarter of record customer growth, acquiring 72 net new customers during the quarter.
- Continued reduction in net cash used in operating activities for Q4 FY20, down 93% on prior quarter to \$0.1 million.
- On track to deliver all key FY20 Prospectus forecast metrics.

Quarterly performance

Growing demand by new and existing customers for communications software and stakeholder engagement during the COVID-19 pandemic supported Whispir's strong performance over the fourth quarter.

Annual Recurring Revenue rose 35.7% over the prior-year corresponding period (**PCP**) to \$42.2 million, an increase of 4.2% on the March quarter. Increased platform utilisation by existing customers also contributed to quarterly customer receipts of \$11.3 million, up 27.0% on the prior quarter and 36.5% on a PCP basis. Customer revenue retention was also high at 124.1%.

Whispir delivered a second consecutive quarter of record new customer growth, acquiring 72 net new customers as organisations looked to adopt more sophisticated yet easy-to-use communications systems. Total customers numbered 630 on 30 June 2020 and included the Victorian Department of Education, PersonaTech and Mt Buller Ski Resort. New customer growth is being driven by Whispir's easy integration with existing IT systems and new ready-to-use 'return to work' templates, which ensure compliance with government COVID-19 regulations.

Tight cost control and significant growth in customer receipts through Q4 FY20 saw net cash used in operating activities reduced to (\$0.1 million).

Investment in platform and product development continued to be a key focus for the Company, with capitalised R&D expenditure totalling \$1.1 million for the quarter, in line with the prior quarter.

Whispir remains well funded to execute its international growth strategy with a cash and equivalents balance at 30 June 2020 of \$15.2 million.

Sales and channels

In addition to the original 15 COVID-19 templates created to assist organisations to keep their stakeholders informed and operating effectively, as the pandemic evolved, Whispir developed a further 11 pre-defined templates that enable organisations to better coordinate and manage new 'return to work' requirements that comply with government regulations.

The integrated two-way workflow templates are ready-to-use and include workplace rostering, shift availability, health declarations and real-time confirmed case updates. For example, Mt Buller Ski Resort in Victoria is utilising Whispir's platform to streamline resort access and on-mountain contact tracing in line with COVID-19 regulations.

Whispir's 'return to work' templates are being promoted through channel partners Telstra, StarHub and Vonage in Australia, Asia and the US respectively.

Outlook

A strong fourth quarter has ensured Whispir is on track to deliver all key FY20 Prospectus forecast metrics.

Whispir CEO Jeromy Wells said, "We've had a strong finish to the FY20 financial year despite unprecedented operating conditions. Our strong performance over the fourth quarter has been driven by increased platform utilisation from our existing customer base, particularly in ANZ and Asia, as well as significant new customer growth. This has offset some changes in traditional communications and transaction volumes from some customers within industries that have been hardest hit by COVID-19 restrictions.

"During the pandemic, the capability of the Whispir platform has really come into its own. We have demonstrated our ability to provide fast-to-deploy, off-the-shelf and customised communications solutions for our diverse customer base – each customer has their own challenge, but our platform has the ability to provide the solution easily and quickly. With current turbulent operating conditions constantly evolving, our customers realise how important it is to have a system that enables them to communicate effectively at scale to diverse stakeholder groups through multiple channels. Our ability to integrate with existing IT systems is a significant differentiator for our technology, enabling new customers to start using the platform within a day and without IT expertise.

"Our increased focus on enhancing the platform's AI, machine learning and data intelligence capabilities will continue to add value for our customers, ensuring they deliver timely and contextually-relevant information to stakeholders in their preferred delivery channel."

Use of funds

The quarter is a period which is covered by the Uses of Funds statement as outlined in the Prospectus dated 24 May 2019. A summary of the expenditure to date is outlined below:

Uses of Funds	Per Prospectus dated 24 May 2019	Actual expenditure since admission on 23 June 2019
	AUD\$M	AUD\$M
Research and Development ¹	10.1	10.1
Sales & Marketing ²	3.7	3.7
IPO Transaction Costs ³	6.6	6.4
Working Capital Purposes	6.6	6.8
Selling Shareholders	20.0	20.0
Total	47.0	47.0

(1) Comprises mainly staff costs

(2) This figure has been apportioned over time to represent the draw down of sales and marketing expenditure.

(3) This figure represents the combined expense of the ASX listing and costs associated with the capital raising

The Company confirms that it has utilised the funds raised under its Prospectus in accordance with its Use of Funds statement and that the key business objectives underlying the expected use of funds (in particular, R&D and sales and marketing initiatives) have been achieved on time and on budget.

Payments to related parties and their associates during the quarter was \$240,015. These payments relate to Director fees/CEO salaries and expenses.

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")

30 June 2020

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	11,335	37,665
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(3,237)	(12,205)
(c) advertising and marketing	(956)	(3,922)
(d) leased assets		
(e) staff costs	(5,776)	(22,531)
(f) administration and corporate costs	(1,438)	(5,304)
1.3 Dividends received (see note 3)		
1.4 Interest received	98	231
1.5 Interest and other costs of finance paid	(121)	(525)
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	(95)	(6,591)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(90)	(279)
(d) investments		
(e) intellectual property	(1,148)	(4,538)
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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)	64	128
2.6	Net cash from / (used in) investing activities	(1,174)	(4,689)

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	31	188
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)	(183)	(580)
3.10	Net cash from / (used in) financing activities	(152)	(392)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	16,716	26,827
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(95)	(6,591)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,174)	(4,689)

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)	(152)	(392)
4.5	Effect of movement in exchange rates on cash held	(78)	62
4.6	Cash and cash equivalents at end of period	15,217	15,217

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	3,363	2,480
5.2	Call deposits	11,854	14,236
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)	15,217	16,716

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 (Directors/CEO Salaries and Expenses)	240
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>		

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 (credit cards)	100	33
7.4 Total financing facilities	100	33
7.5 Unused financing facilities available at quarter end		67
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.		
<p>Credit card facilities are utilised across three providers:</p> <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)	(95)
8.2 Cash and cash equivalents at quarter end (item 4.6)	15,217
8.3 Unused finance facilities available at quarter end (item 7.5)	67
8.4 Total available funding (item 8.2 + item 8.3)	15,284
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	161
<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: 20 July 2020

Authorised 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.