whispir

ASX Announcement

21 October 2020

Whispir Limited

(ASX:WSP)

Appendix 4C – Q1 FY21

Whispir Limited **(ASX: WSP, Whispir** or **Company)** is pleased to provide its Appendix 4C cash flow report and update for the quarter ending 30 September 2020 (Q1 FY21).

Highlights

- Annualised Recurring Revenue (ARR) increased 26.7% over the prior corresponding period (PCP) to $43.7 million, up 3.6% on the June quarter.
- Quarterly customer cash receipts of $10.5 million, in line with expectations and up 35.0% on the same period last year.
- Strongest Q1 new customer growth on record, onboarding 35 net new customers during the quarter.
- First Australian business to achieve AWS Digital Workplace Competency status.
- Well-funded to execute current growth strategy with a cash and equivalents of $12.0 million.

Quarterly performance

Whispir had its strongest start to a financial year on record, with quarterly cash receipts increasing 35.0% over the PCP to $10.5 million. Increased platform usage by existing customers in ANZ and Asia were the primary drivers of this growth, with platform interaction volumes up 41.3% over the PCP.

ARR increased 26.7% over the PCP to $43.7 million, up 3.6% on the June quarter. Customer revenue retention is tracking to achieve 120% for FY21.

New customer growth for Q1 was the strongest first quarter performance ever recorded by the Company, onboarding 35 net new customers during the quarter to bring total customer numbers to 665.

Whispir continues to leverage the macro trends that are affecting most organisations such as facilitating remote working, increasing automation of manual communication processes, and boosting organisational productivity. Turbulent operating conditions for many customers are increasing the need for them to provide contextually relevant, two-way stakeholder communications at scale. Designed to be used without IT expertise, Whispir's ability to integrate with existing IT systems has enabled many new customers to start using the platform within days – rather than weeks or months - of becoming a customer.

Whispir continues to invest in development activities to increase the platform's AI-inferred intelligence and enhanced functionality as part of a five-year product roadmap, and is well-funded to achieve its current strategic objectives, with a cash and equivalents balance of $12.0 million as at 30 September 2020.

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Commenting on the strong quarterly performance Whispir CEO Jeromy Wells said, "While Q1 is traditionally the quietest period in our annual sales cycle, September was our strongest ever monthly revenue. Our strong growth in ARR and record net new customers over the past quarter reflects ongoing demand for multi-purpose communications software to improve productivity and stakeholder engagement as our customers navigate 'the new normal'.

Payments to related parties and their associates during the quarter totalled $0.6 million. These comprised Directors' fees and expenses for Q1FY21, the CEO's base remuneration and expenses for Q1FY21 and the CEO's Annual Short-term Incentive for FY20.

Sales and channels

During the quarter, Whispir continued to increase its market presence in Asia with new customers acquired in Sri Lanka and the Philippines. Whispir's established channel partners in the region, including its digital transformation partnership with Deloitte, is delivering qualified sales leads and cost-effective access to new customers in new geographic markets.

"Asia remains a large and diverse market opportunity for our versatile communications workflow technology. We have altered our team structure in this region to allow our technical expertise to support our customers more easily. This new go-to-market strategy is driving growth in customers and revenue in Asia, and we continue to leverage our strategic channel partner relationships and blue-chip references to increase our sales," said Jeromy Wells.

Whispir strengthened its relationship with Amazon Web Services during the quarter, becoming the first Australian business, and one of only 18 globally, to achieve the newly launched AWS Digital Workplace Competency status.

AWS Digital Workplace Competency status recognises Whispir's proven expertise in providing end-to-end digital transformation tools to effectively support remote workers and optimise business continuity plans. It is only awarded to AWS partners with specialised technical proficiency and verified customer success in reducing security risks.

Jeromy Wells commented, "The AWS Competency program is a leading indicator for global best-in-class technology solutions, and we are delighted to be among the first companies to be recognised by AWS for our proficiency in facilitating digital workplaces."

The new AWS recognition follows AWS Advanced Technology Partner certification and AWS Digital Customer Experience Competency for marketing automation.

Outlook

Whispir's performance over the quarter was ahead of expectations, and the Company remains on track to deliver its FY21 guidance.

CEO Jeromy Wells said, "We continue to build momentum within the business, increasing use cases with our existing customers and onboarding new customers. Many of those onboarded in Q3 FY20 are now increasing their platform usage in line with our land and expand strategy and we expect these customers will have a positive impact on revenues later in FY21.

"While Whispir has had its strongest Q1 on record, we are still seeing suppressed transaction activity from some customers in some industries, such as aviation, due to COVID-19. As restrictions ease, we anticipate these customers will return to normal volumes.

"During the quarter we made significant progress on developing the foundation of our AI, machine learning and data intelligence capabilities and are continuing to add new platform functionality to support our customers in solving their complex communications challenges."

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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

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Appendix 4C

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

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Name of entity	
WHISPIR LIMITED	
ABN	**Quarter ended ("current quarter")**
89 097 654 656	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	10,462	10,462
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs	(4,188)	(4,188)
	(c) advertising and marketing	(1,019)	(1,019)
	(d) leased assets		
	(e) staff costs	(6,208)	(6,208)
	(f) administration and corporate costs	(903)	(903)
1.3	Dividends received (see note 3)		
1.4	Interest received	3	3
1.5	Interest and other costs of finance paid	(125)	(125)
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**	**(1,978)**	**(1,978)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	(70)	(70)
	(d) investments		
	(e) intellectual property	(1,110)	(1,110)
	(f) other non-current assets		

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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)	3	3
2.6	**Net cash from / (used in) investing activities**	**(1,177)**	**(1,177)**

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	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)	(142)	(142)
3.10	**Net cash from / (used in) financing activities**	**(27)**	**(27)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	15,217	15,217
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,978)	(1,978)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,177)	(1,177)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(27)	(27)
4.5	Effect of movement in exchange rates on cash held	(9)	(9)
4.6	**Cash and cash equivalents at end of period**	**12,026**	**12,026**

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	3,448	3,363
5.2	Call deposits	8,578	11,854
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)**	**12,026**	**15,217**

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	603
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 $0.603 million. These comprised Directors' fees and expenses for Q1FY21, the CEO's base remuneration and expenses for Q1FY21 and the CEO's Annual Short-term Incentive for FY20.

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.

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7.	**Financing facilities** *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.*	**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)	100	41
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	59

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:

- 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)	(1,978)
8.2	Cash and cash equivalents at quarter end (item 4.6)	12,026
8.3	Unused finance facilities available at quarter end (item 7.5)	59
8.4	Total available funding (item 8.2 + item 8.3)	12,085

8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	6.11

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.

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.

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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 October 2020
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.

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