

ASX Announcement
27 April 2022

Whispir Limited
(ASX : WSP)

Appendix 4C and Activities Update – Q3 FY22

Whispir Limited (ASX:WSP, Whispir or Company) provides its Appendix 4C cash flow and activity report for the quarter ending 31 March 2022 (Q3 FY22, the Quarter). The prior corresponding period (PCP) is Q3 FY21.

Quarterly Highlights

- Cash receipts for the Quarter of \$19.8 million; up 81.6% on PCP of \$10.9 million
- Cash outflows reduced as cost efficiencies and savings are realised
- Free cash outflows for the Quarter of \$5.6 million, in line with expectations
- Cash on hand is \$31.2 million
- Annualised Recurring Revenue (ARR) of \$62.4 million, up 24.1% on PCP of \$50.3 million

Quarterly cash flow performance

Whispir has recorded a free cash outflow¹ for the Quarter of \$5.6 million, which is broadly consistent with last quarter's at \$5.5 million, as the business focuses on the path to profitability.

Cash receipts – strong growth on PCP

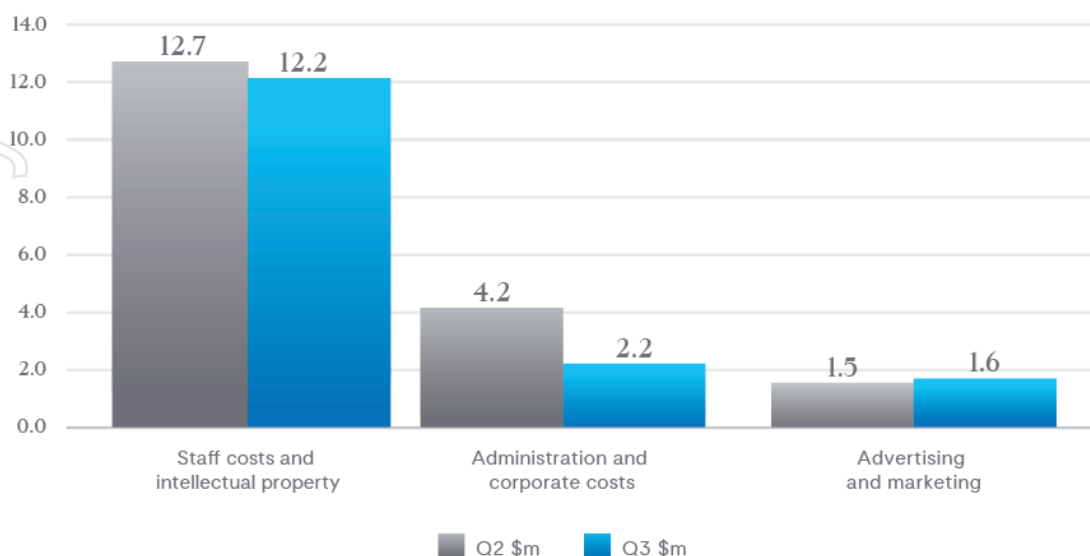
Cash receipts for the Quarter were \$19.8 million, a significant growth of 81.6% on PCP, demonstrating the strength of the business in FY2022. Cash receipts for the Quarter were in line with expectations, and down by 22% on last quarter (which included a larger portion of the COVID-19 vaccine roll out programs).

Cash outflows from operations falling as efficiencies are realised

The Company is recognising the positive effects of its recently implemented efficiencies and cost management program, outlined in the chart below:

¹ Cash flow from operating and investing activities, excluding transfers to/from restricted cash (e.g. term deposits, bank guarantees and security deposits) disclosed as "Other".

Cash payments for operations (A\$m)



Staff costs (including capitalised labour disclosed as intellectual property) decreased by 4%, or \$0.5 million, to \$12.2 million, from the last quarter. Included in staff costs are payments totalling \$292k, to related parties for non-executive directors' fees, managing director remuneration, and director expenses. The Company closed the Quarter with 263 employees and is now broadly right-sized.

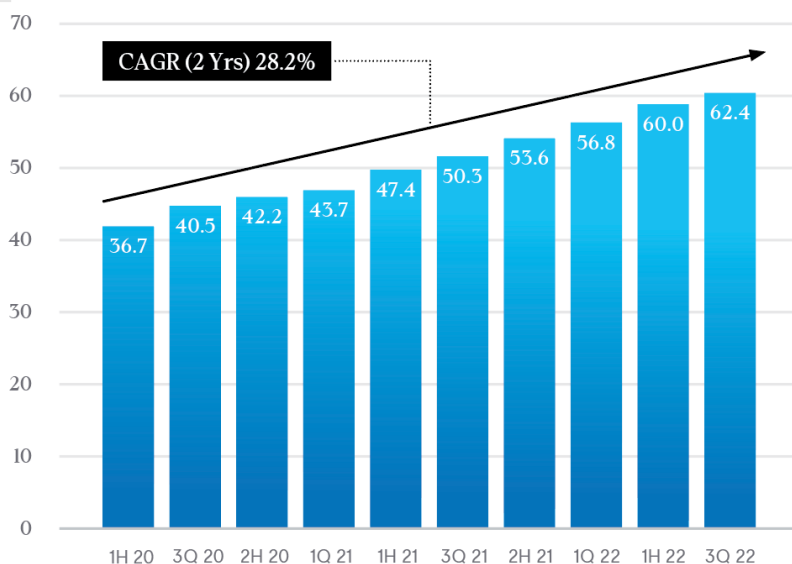
Most notably, administration and corporate costs decreased by 47%, or \$2.0 million, to \$2.2 million. Whilst a portion of this decrease is due to timing (last quarter included annual insurance premiums by way of example), the Quarter is 19% below this year's quarterly average of \$2.8 million, and savings due to the efficiencies and cost management program. These savings are expected to continue.

The Company closed the Quarter with \$31.2 million of cash on hand (\$32.8 million including restricted cash balances of \$1.6 million).

ARR continues to demonstrate consistent growth

ARR has increased 24.1% over PCP to \$62.4 million, up 4.0% on the prior quarter. ARR continues to show steady and consistent growth, quarter on quarter, as demonstrated in the chart below:

ARR (A\$m)



Customer growth continues across all regions

Whispir signed 82 new customers during the Quarter (up 39% from 59 new customers PCP). Pleasingly, the North America continued its sales momentum, gaining a further 26 new customers in the Quarter (up 117% from 12 new customers PCP). Asia was also consistent with last quarter gaining 18 new customers (up 6% from 17 new customers PCP). ANZ region signed 38 new customers for another solid quarter of growth (up 27% from 30 new customers PCP), and customer churn remains within expected levels of less than 5%.

Jeromy Wells, Founder and CEO, commented, "We have had an exceptional three quarters, and I fully expect our sales momentum to continue into the last quarter, which is traditionally the strongest quarter of the year for Whispir. Our sales momentum, combined with savings delivered from operational efficiencies, provide line of sight to sustainable profitable operations."

Enhanced leadership capability

During the Quarter, Whispir made three key senior management appointments. These appointments reflect Whispir's commitment to attracting the best talent to the leadership team as the Company increases momentum in the delivery of its innovative technology agenda and provides the world's leading communications intelligence platform.

Annie Wissner joined Whispir as Chief Marketing Officer (CMO), based in Colorado. With over 20 years of experience in the B2B technology space, award-winning brand building, and customer engagement expertise, Ms. Wissner was most recently Vice President of North American and UK marketing at MessageMedia. Prior to this, Ms. Wissner spent seven years at Oracle as a key contributor to its first marketing and channel programs. She followed this with eleven years at Microsoft, where she held several strategic global leadership positions to help establish Microsoft as a top mid-market SaaS solution.

Graham Link joined Whispir as Chief Technology Officer (CTO), based in Melbourne. Mr. Link has over 20 years of experience in leading technology, strategy and product development. Most recently, Mr. Link was Chief Information Officer for Moula, where he led the software and engineering delivery of the company's payments and lending products. Prior to Moula, Mr. Link spent 7 years with Property Exchange Australia (PEXA), where he redefined the global technology strategy to include the development of roadmaps that leveraged new technologies and opportunities in the market. Prior to PEXA, Link spent nine years with Accenture, working in Australia, the United Kingdom and North America on complex digital transformation projects.

Jonathan Wilkinson-Baldry was promoted to Chief Product Officer (CPO) and will be based in Melbourne from May 2022. Mr. Wilkinson-Baldry has over 20 years of experience across architecture, strategy, technology and product development. Joining Whispir in 2020, Mr. Wilkinson-Baldry led the implementation of Whispir's Enterprise Architecture practice, after providing independent advisory architecture and strategy services to several enterprise organisations across Australia. Mr. Wilkinson-Baldry was previously the Chief Technical Officer of e-nable Solutions and a Product Architect at Interactive, creating technology and software-based solutions in the mobile workforce, cloud-computing and enterprise data management domains. Prior to this, Mr. Wilkinson-Baldry spent thirteen years, including eleven years with IBM, working in Australia, UK, Europe, Middle East and North America in technology & software delivery of complex Enterprise Asset Management projects.

Jeromy Wells, Founder and CEO, further commented, "I am delighted to have Annie and Graham join our Company and congratulate Jonathan for his promotion to the role of CPO. Our strengthened executive team, our substantial sales pipeline which is building in all regions, combined with our current momentum, provides a great platform for growth to continue into the next financial year and beyond."

Outlook

Whispir has delivered another strong quarterly result by maintaining strong cash receipts combined with disciplined cost control and is in line with the Company's expectations. The Company continues to be on track to meet FY2022 guidance, with revenue trending towards the upper end of the guidance range of \$68 million.

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 2022

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	19,849	61,586
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(8,671)	(26,200)
(c) advertising and marketing	(1,641)	(4,788)
(d) leased assets	-	-
(e) staff costs	(10,020)	(29,396)
(f) administration and corporate costs	(2,229)	(8,257)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	16	157
1.5 Interest and other costs of finance paid	(99)	(318)
1.6 Income taxes paid	112	110
1.7 Government grants and tax incentives	-	-
1.8 Other (GST payment to ATO ¹)	(735)	(2,294)
1.9 Net cash from / (used in) operating activities	(3,418)	(9,400)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(59)	(497)

¹ An amount of \$1,559k for GST payment to the ATO was reported in 1.2(f) administration and corporate costs in the previous quarter's Appendix 4C.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) investments	-	-
(e) intellectual property	(2,148)	(6,241)
(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)	(1,050)	(1,212)
2.6 Net cash from / (used in) investing activities	(3,257)	(7,950)

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	-	9
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)	(236)	(623)
3.10 Net cash from / (used in) financing activities	(236)	(614)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	38,121	49,173
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,418)	(9,400)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,257)	(7,950)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(236)	(614)
4.5	Effect of movement in exchange rates on cash held	(48)	(47)
4.6	Cash and cash equivalents at end of period	31,162	31,162

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	30,652	37,611
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)	31,162	38,121

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	292
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Payments to related parties disclosed in 6.1 above are comprised of Non-executive Directors' fees and expenses and the CEO's base remuneration and expenses for the current quarter.

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 <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)	118	35
7.4	Total financing facilities	118	35
7.5	Unused financing facilities available at quarter end		83
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 25k, 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)	(3,418)
8.2	Cash and cash equivalents at quarter end (item 4.6)	31,162
8.3	Unused finance facilities available at quarter end (item 7.5)	83
8.4	Total available funding (item 8.2 + item 8.3)	31,245
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	9
	<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: 27 April 2022

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.