



ASX Announcement
26 October 2022

Whispir Limited
(ASX : WSP)

Appendix 4C and Activities Update – Q1 FY23

Whispir's sales pipeline strong, Company reiterates expectation of positive EBITDA during 2H FY23

Whispir Limited (ASX:WSP, Whispir or Company) provides its Appendix 4C cash flow and activity report for the quarter ending 30 September 2022 (Q1 FY23, the Quarter). The prior corresponding period (PCP) is Q1 FY22, and the prior quarter is Q4 FY22 (PQ).

Quarterly Highlights

- Growing sales pipeline and strategic initiatives present growth opportunities
- Expecting Positive EBITDA (excluding share-based payments) during second half of FY23
- Cash receipts for the Quarter of \$14.42 million; down 15.0% on PQ of \$16.96 million
- Operating cash payments consistent with PQ as efficiency and productivity improvement program is realised
- Cash on hand at 30 September of \$17.13 million
- Annual Recurring Revenue \$62.0 million

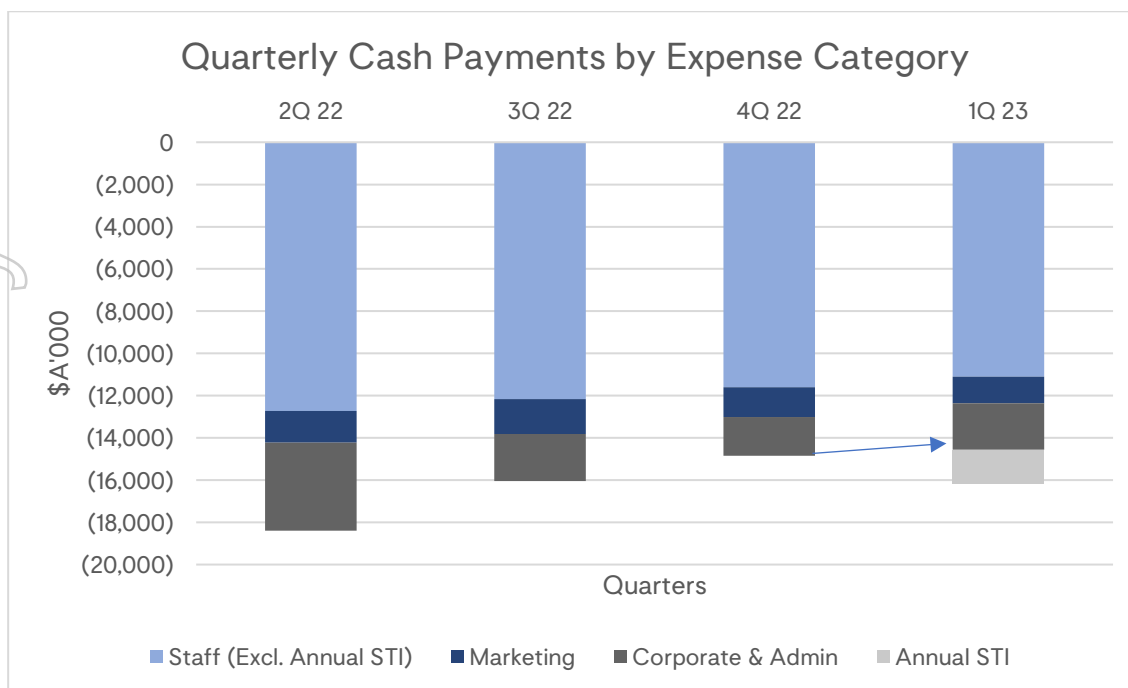
Quarterly performance

Cash receipts

Cash receipts for the Quarter were \$14.42 million, which is a 15% and 11.5% decrease on the PQ and PCP respectively. This quarter's result reflects the reduction in COVID-19 related revenues compared with the PCP, and the impact of seasonality with the first quarter typically a softer quarter of the year. In contrast, cash receipts were up 38% against the same quarter two years ago – demonstrating that the business is still experiencing strong growth, COVID-19 aside.

Cash payments

The Company's cost efficiency and productivity improvement program has been effective, and operational costs have stabilised at the lower run-rate established in the PQ. As shown in the graph on page 2, operating cash payments across the three major categories of marketing, administration, and labour (excluding the annual short term incentive payments of \$1.60 million which occur in this quarter only) total \$14.56 million - slightly below the PQ of \$14.84 million. This is despite the weakening Australian dollar against the US dollar, which has affected a portion of the Company's cost base.



Cash reserves

The Company finished the Quarter with \$17.13 million of cash and cash equivalents, and has an additional \$0.7 million held on term deposit not reported on the Appendix 4C as it does not meet the accounting standards definition of cash that is readily available for use.

Quarterly free cash¹ outflow) for the quarter is \$9.19 million and is forecast to fall in the remaining quarters as cash receipts are expected to ramp up while operating cash payments (as mentioned in the chart above) should remain relatively steady. The Company is confident the business remains sufficiently funded to reach its stated objective of positive EBITDA (excluding share-based payments) during the second half of this financial year (FY23).

Annual recurring revenue (ARR)

ARR at the end of the Quarter is \$62.0 million, down from \$65.4 million (PQ). The decline in ARR is attributed to the ANZ region where transactional revenues from the state health departments have not continued at the rate the Company had previously expected.

Business news

Whispir continues to build relationships and trust with government and corporates who are adopting the efficiency and quality advantages of digitised communications. The Company's ability to rapidly respond to customer needs was demonstrated through its support to health departments at the height of the pandemic, when efficient, tailored communications to Australian residents were essential to safeguarding health and minimising adverse economic impact.

"While COVID-related communications are now tapering off, this period provided a unique opportunity for the Company to demonstrate the breadth of Whispir use cases and how these can assist customers to enhance communications and outcomes," says Jeremy Wells, CEO and Founder of Whispir. "There is no question we now enjoy stronger relationships with a number of

¹ Cash flow from operating and investing activities, excluding transfers to/from restricted cash disclosed as "Other" in investing activities.

government departments at federal, state and local levels, and are well-positioned to assist with their future mass communication campaigns."

The strategic threat posed by cyber incidents has again been highlighted recently with a number of high-profile data breaches. Recognising this, protecting customer data and the integrity of the platform continue to be of the highest priorities. Whispir remains vigilant to threats from phishing attacks against customers and its workforce and continues to monitor the evolving threat landscape. This evolving environment also presents significant business opportunities. Few digital communication platforms offer the security features and robustness of the Whispir platform, and future cyber hacks could prompt organisations to shift their communications away from platforms carrying greater cyber risk.

Other aspects of the external environment are also driving the business. In the US and Asia in particular, the ongoing tightening of SMS delivery guidelines is continuing to open up opportunities for Whispir as clients look for platforms that can provide intelligence and insight into deliverability. This has resulted in a number of SMS Marketing, as well as political campaign organisations, turning to Whispir to help manage communications compliance. The focus in these regions is now ramping up the transactional volumes of these opportunities, while continuing to build pipeline and close sales.

In telecommunications, "5G" – being the fifth-generation technology standard for broadband cellular networks - presents many opportunities for Whispir. 5G is much more than just speed. There is a vast array of next generation services that organisations can innovate in the 5G environment that can't be supported in other networks today. Whispir is well placed to support carriers and its customers in this modern 5G world.

FY23 outlook

Whispir CEO, Jeromy Wells, commented: "Effective communications are essential to the success of modern organisations. Customers are seeking solutions that are flexible, tailored to their audiences and secure - and Whispir offers a market-leading product on each of these criteria. There is no better advertisement for the Whispir platform than loyal and satisfied customers - a growing customer base in each of our three markets provides us opportunities to leverage this success into new signings while expanding use cases for existing users.

"Due to the robust sales pipeline and expansion of the Company's carrier relationships, and despite this softer first quarter result, I am confident that the Company is well placed to achieve its goals of becoming a profitable operation during the second half of FY23 and generating positive cash flows during FY24."

-ENDS-

Authorised by the Disclosure Committee.

Corporate

sk@whispir.com

Sophie Karzis, Company Secretary
+61 409 540 827

Investors

ir@whispir.com

Jenni Pilcher, CFO
+61 424 750 737

About Whispir

Whispir supplies a no code, Communications-as-a-Service (“CaaS”) platform enabling seamless omnichannel interactions between organisations, their systems, and people to solve common challenges in terms of compliance, deliverability, and engagement.

Whispir operates across three key regions of ANZ, Asia and North America and its platform is used across more than 60 countries. More information www.whispir.com.

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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 September 2022

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	14,423	14,423
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(6,924)	(6,924)
(c) advertising and marketing	(1,268)	(1,268)
(d) leased assets	-	-
(e) staff costs	(10,759)	(10,759)
(f) administration and corporate costs	(2,198)	(2,198)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	39	39
1.5 Interest and other costs of finance paid	(18)	(18)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(484)	(484)
1.9 Net cash from / (used in) operating activities	(7,189)	(7,189)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(63)	(63)
(d) investments	-	-
(e) intellectual property	(1,941)	(1,941)
(f) other non-current assets	-	-

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)	543	(61)
2.6	Net cash from / (used in) investing activities	(1,461)	(2,065)
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	13	13
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)	(402)	(402)
3.10	Net cash from / (used in) financing activities	(389)	(389)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	26,078	26,078
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(7,189)	(7,189)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,461)	(2,065)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(389)	(389)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	87	87
4.6	Cash and cash equivalents at end of period	17,126	17,126

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	16,012	16,012
5.2	Call deposits	510	510
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposits < 3 mth maturity)	604	604
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	17,126	17,126

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	690
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 \$0.690 million. These comprised Directors' fees and expenses for Q1 FY23 and the CEO's base remuneration, short term incentive and expenses for Q1 FY23.</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 (credit cards)	105	28
7.4 Total financing facilities	105	28
7.5 Unused financing facilities available at quarter end		77
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 12.65%. • Silicon Valley Bank USD 20k, unsecured at 15.35%. • Amex AUD 35k, unsecured, zero interest rate with 3% late payment fee and \$1.2k annual membership fee. 		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(7,189)
8.2 Cash and cash equivalents at quarter end (item 4.6)	17,126
8.3 Unused finance facilities available at quarter end (item 7.5)	77
8.4 Total available funding (item 8.2 + item 8.3)	17,203
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.4
<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: NA	
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: NA	

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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: 26 October 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.

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