whispir

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22 April 2021

Q3 FY21 Activities Update

– Investor presentation

ASX WSP

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Recurring revenues growing

Strong ARR growth reflects underlying business performance, existing customers remain key contributors

$50.3m

Q3FY21 ARR

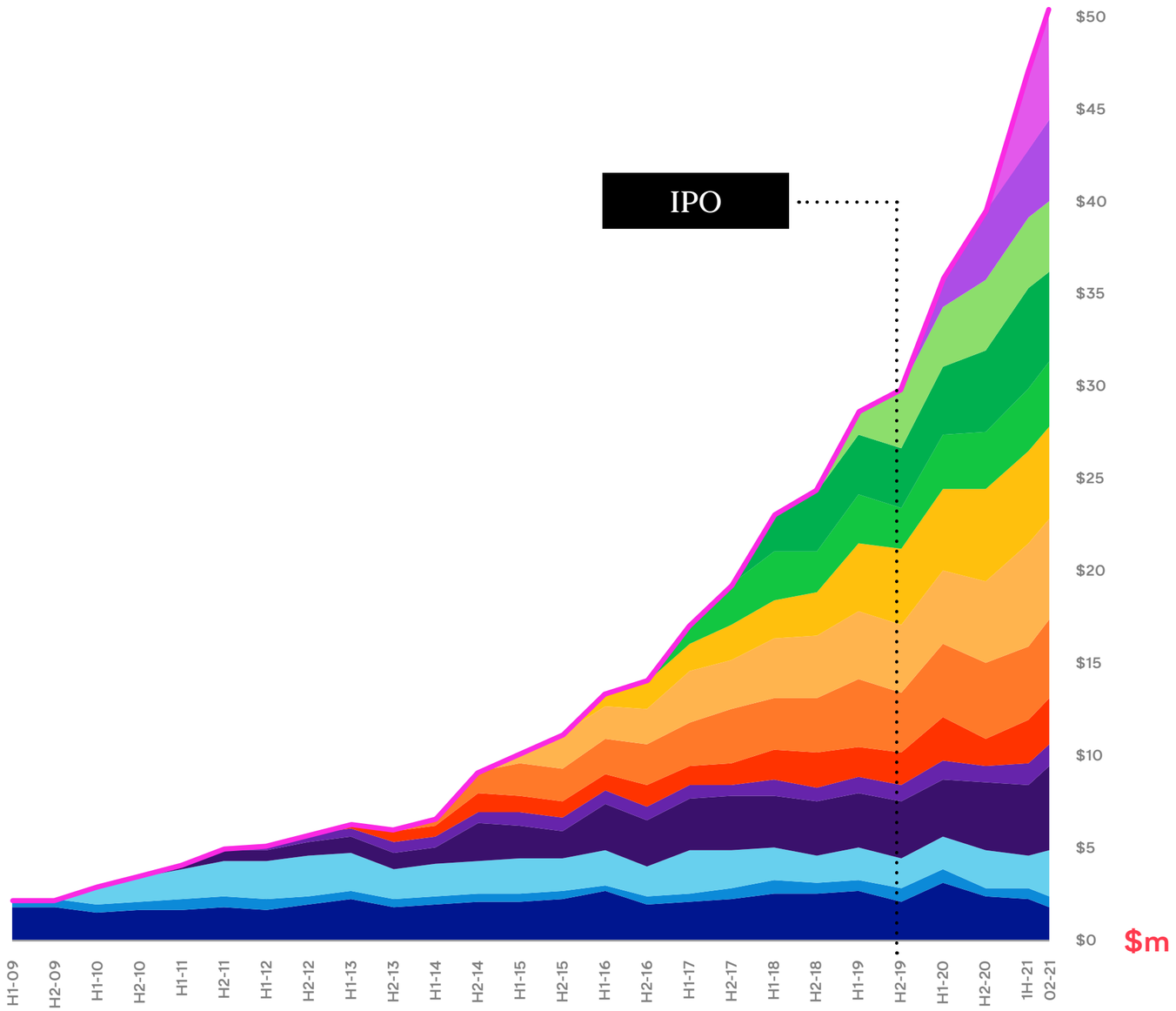
$41.8m PCP

20.3% Growth

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Long term customers provide future revenue surety

New use cases increasing platform usage and revenue contribution from existing customers



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50% customer growth since IPO

Aligns with macro growth trends to digitise, automate and personalise stakeholder, customer engagement and crisis communications

750 Customers



43 net new customers in Q3 FY21

558 customers Q3 FY20

Up 34.4% on PCP

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Consistent strong quarterly performance

Successful land and expand strategy driving growth from existing customer base

$10.9m



Q3 FY21 Customer cash receipts

$8.9m Q3 FY20

Up 22.5% on PCP

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ABF Events
MEMBER OF THE ABF GROUP

Australian Business Forum

Leveraging multi-channel functionality to improve event promotion, coordination and engagement

- Premier Australian events company hosting large conferences for entrepreneurs and small and medium sized businesses
- Using Whispir's contemporary tools and channels for event coordination and attendee engagement
  - Two-way communications at scale
  - Simplifies the automation and management of event communications
- Contextually-relevant stakeholder communications before, during and post events
  - Event promotion
  - Live event updates
  - Post event communications
- Physical venue logistics management
  - Registration
  - QR code check-in
  - Ensures compliance with COVID-19 safe requirements



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Successful $45.3m institutional Placement

Well-funded to fast-track product roadmap & drive customer growth in all three regions

Capital raising overview

- **$45.3 institutional Placement and $610k share purchase plan**
- Offer price of $3.75 per share, representing a;
  - 8.8% discount to the 3 day Volume Weighted Average Price ("VWAP") of $4.11 up to and including Monday, 1 March 2021; and
  - 3.6% discount to the last traded price of $3.89 on Monday, 1 March 2021

Accelerating product roadmap & customer growth

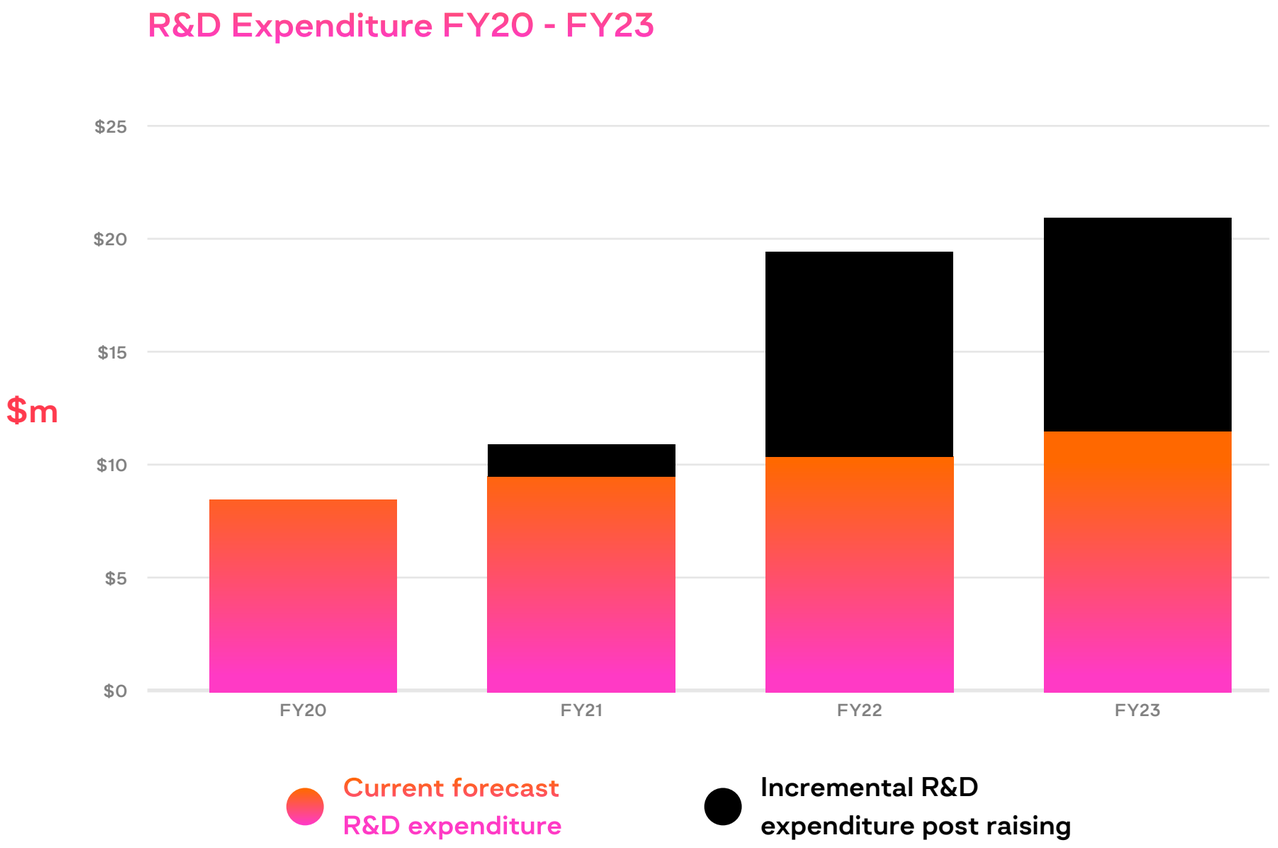
- **30% Accelerate product roadmap**
  - Enhance platform functionality
  - Create higher-margin products
- **30% Drive new & existing customer growth in ANZ and Asia**
  - Increase utilisation by existing customers
  - Digital transformation and digitisation projects drive new and existing customer growth
- **30% North American market expansion**
  - Largest market opportunity
  - Targeted strategy to achieve growth (North America to account for ~25 – 30% of Group ARR by FY23)
- **10% Strengthen balance sheet and provide working capital flexibility**

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Creating higher-value products

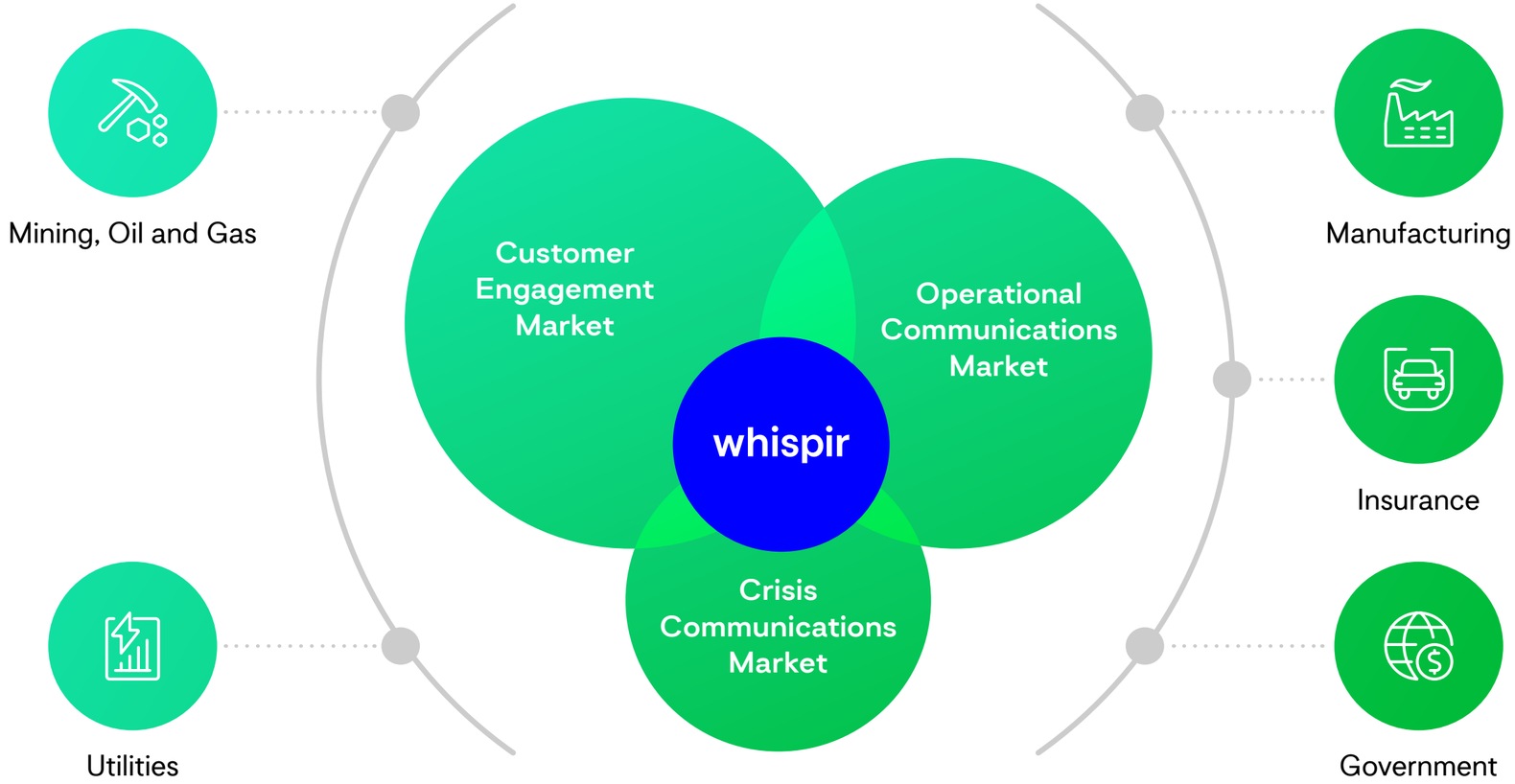
Increased investment in R&D to enhance platform intelligence with AI-inferred and machine-learning functionality

- $2.3m cash investment in R&D
- Beta testing new AI-driven message predictor
- Intelligent message designer
  - Identifies spelling errors, tone
  - Message structure
  - Smart scheduling
- Recipient report
  - Monitors message engagement
  - Open rates
  - Length of time the recipient spent reading it
  - Calculates engagement score
- Enhanced components
  - Updates to contacts
  - Automated webform and SMS response capture
  - Templated buttons for web
  - Ability to embed video player and display map messages
  - Personalised video at scale



North America: a highly targeted approach

Targeting five key industries with proven use cases



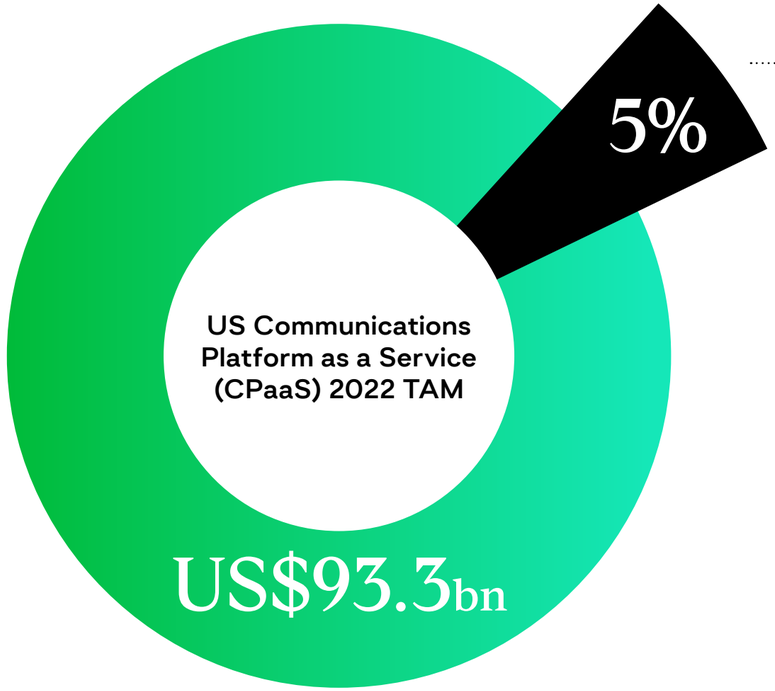
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Whispir's US$4.7bn North American TAM

Leveraging ANZ blue-chip customer references across operational coordination, customer engagement & crisis communications

- Five key industries collectively account for just 5% of US CPaaS TAM of US$98bn
- US$4.74bn opportunity in Whispir's North American target markets
- Targeting four key personas where we have proven expertise within ANZ and Asia
- Underserviced SME and SMB organisations
- US$10m - US$1bn in revenue
- Ideal product market fit
- Aligns with No Code/Low Code capability



US$4.7bn

Whispir's targeted North American TAM by 2022*

*Forrester, 'Market Insight Study for Whispir', February 2021

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North America building momentum

11 new US customers added during the quarter, growing pipeline

Customers in this region include:























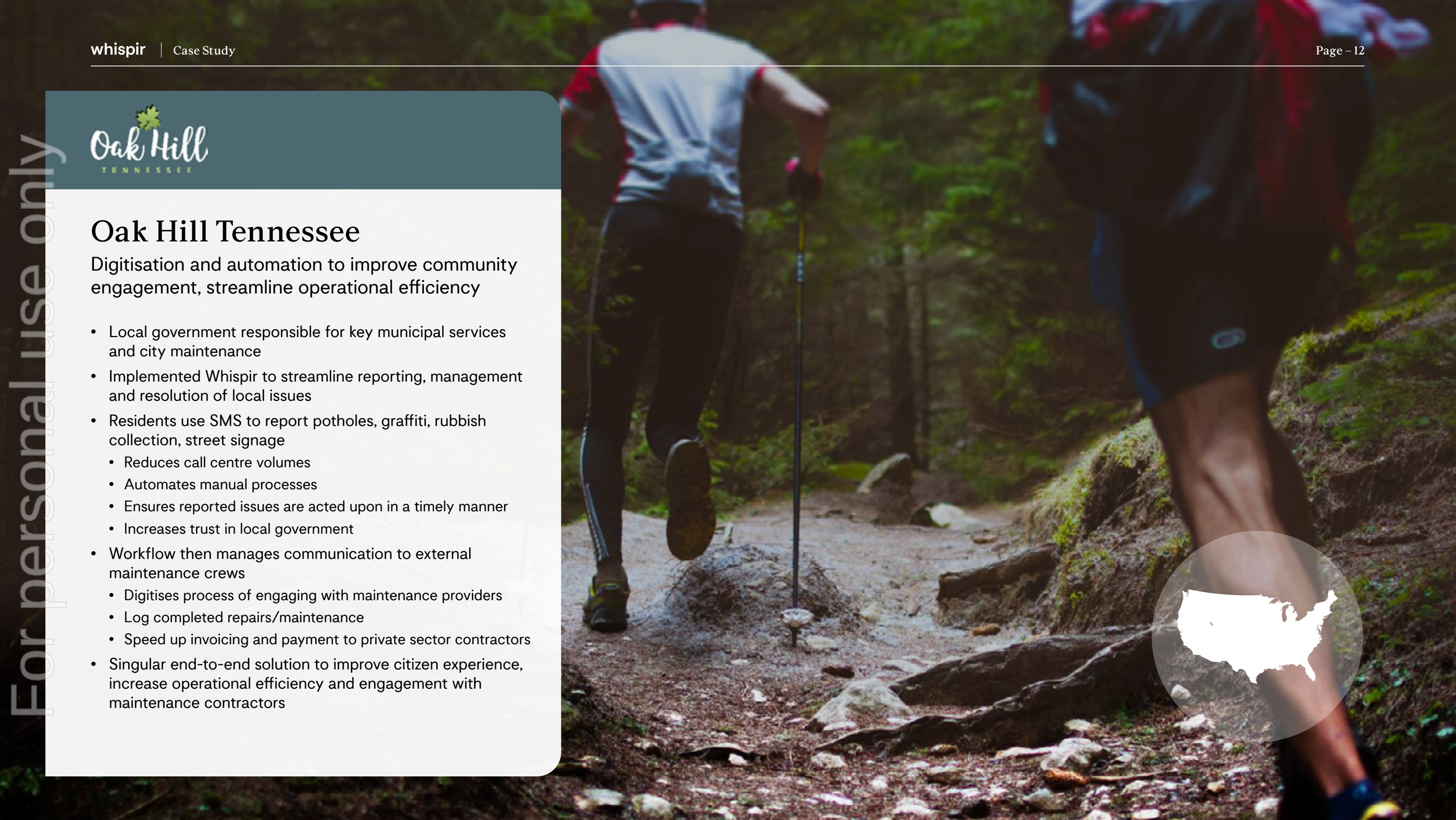
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Oak Hill
TENNESSEE

Oak Hill Tennessee

Digitisation and automation to improve community engagement, streamline operational efficiency

- Local government responsible for key municipal services and city maintenance
- Implemented Whispir to streamline reporting, management and resolution of local issues
- Residents use SMS to report potholes, graffiti, rubbish collection, street signage
  - Reduces call centre volumes
  - Automates manual processes
  - Ensures reported issues are acted upon in a timely manner
  - Increases trust in local government
- Workflow then manages communication to external maintenance crews
  - Digitises process of engaging with maintenance providers
  - Log completed repairs/maintenance
  - Speed up invoicing and payment to private sector contractors
- Singular end-to-end solution to improve citizen experience, increase operational efficiency and engagement with maintenance contractors



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SWA Digital

Embedding business intelligence and increasing productivity for Indonesian enterprises

- Strategic partnership with digital arm of Indonesia's most popular print business magazine
- SWA Digital using Whispir to assist Indonesian enterprises on their digital transformation journeys
  - Fast-to-deploy solution
  - Integrates with existing IT systems
  - Designed to be used without developer expertise
  - Multi-channel and mobile-first engagement
  - Automation of manual processes
  - Two-way communications
  - Real-time engagement and insights
- Improves SWA's digital consultation portfolio
  - Multi-purpose solution suitable for business coordination, customer engagement and crisis communications
- SWA implementing Whispir internally for two-way stakeholder communications
- Partnership enables Whispir to cost-effectively increase footprint within Indonesia



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Growth strategy

Multiple levers to sustain growth & increase market footprint



Increasing platform use with existing customer base



Acquiring new customers



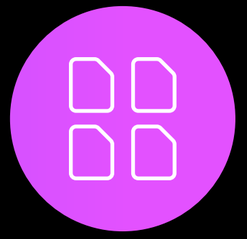
Diversification of channel partners



New Digital Direct go-to-market strategy



Increasing presence within three key markets – ANZ, Asia and US



Increasing product offering to drive adoption

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Digital transformation a global mega trend

Automation & digitisation trends providing short and long-term growth opportunities

- Global technology investment rapidly increasing
- Digital experience accounts for majority of global information & communications tech investment
- Digital transformation projects fast-tracked by years
- Digital now main form of customer/stakeholder engagement
- Process automation increasing productivity
- Increased budgets for digital transformation

$336bn

(USD) Digital transformation market size value in 2020

$1,393bn

(USD) Digital transformation revenue forecast in 2027

22.5%

Digital transformation market size CAGR from 2020 to 2027

*Refer to page 24 for source of data

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Communications Intelligence

Prediction
Reduce waste

Detection
Better moves/fewer mistakes

Automation
Save time/speed up value

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FY21 expectations

On track to meet or exceed FY21 targets following strong year-to-date performance

$53.0m-$55.3m

FY21 ARR

27-33% Growth on FY20

$49.0m-$51.0m

FY21 Revenue

25-30% Growth on FY20

$(4.5m)-$(3.0m)

FY21 EBITDA

38-59% improvement on FY20

$9.2m-$9.8m

R&D Cash Investment

8-15% Growth on FY20

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Our Purpose

Change the way the world communicates



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Our Vision

A world where organisations communicate like people



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We Believe

Value is created, when people are engaged



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Our Promise

Enabling you to master connection and engagement with other people at scale



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Connect Engage Thrive

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Glossary

Profit or loss

- **Software revenue:** revenue generated from collecting contracted monthly licence and transaction fees from customers based on a contracted fee per user and cost per transaction;
- **Professional services revenue:** professional fees in respect of implementation, configuration, training and integration fees;
- **Cost of service:** the costs relating to the delivery of the software including the costs of running the data centre, wages and salaries of data centre based Whispir staff and the carrier cost in delivering transactions;
- **Gross profit:** total revenue less cost of services;
- **EBITDA:** earnings (or losses) before interest, income tax, depreciation and amortisation. Amortisation of contract acquisition costs are included within EBITDA. Management uses EBITDA to evaluate the operating performance of the business. EBITDA can be useful to help understand the cash generation potential of the business. EBITDA should not be considered as an alternative to measures of cash flow under IFRS and investors should not consider EBITDA in isolation from, or as a substitute for, an analysis of the results of Whispir's operations; and
- **EBIT:** earnings (or losses) before interest and income tax.

Definitions

- **TAM:** Total Addressable Market;
- **SME:** Small to Medium Enterprise;
- **SMB:** Small to Medium Business.

Source

www.grandviewresearch.com/industry-analysis/digital-transformation-market

Cash flow

- **Capitalised development:** proportion of the wages and salaries of employees whose activities relate to the development of software;
- **Capital expenditure:** investment in property, plant and equipment including leasehold improvements and IT equipment;
- **Working capital:** trade and other receivables, contract acquisition costs, other current assets, less trade and other payables and income received in advance;
- **Operating cash flow:** EBITDA after the removal of non-cash items in EBITDA (such as share-based payments, amortisation of contract acquisition costs and net foreign exchange difference) less net interest paid and changes in working capital; and
- **Free cash flow:** operating cash flow less capital expenditure and IPO offer costs.

Financial metrics

- **Gross margin:** gross profit divided by revenue expressed as a percentage;
- **EBITDA margin:** EBITDA expressed as a percentage of total revenue;
- **EBIT margin:** EBIT expressed as a percentage of total revenue;
- **Contract acquisition cost:** commission and other direct costs incurred in winning new customers;
- **Customer acquisition cost (CAC):** expenses directly incurred in winning new customers, which includes the contract acquisition costs, divided by the total number of new customers won in the period;
- **Customer revenue retention %:** revenue earned from customers in a year/half year divided by the revenue from the same customer cohort in the corresponding prior year/half year;
- **Customer churn %:** number of customers lost in the last twelve months (LTM) divided by number of opening customers in the period;
- **Revenue churn %:** Opening MRR of customers churned in LTM compared to opening MRR of customer cohort;
- **Lifetime value of customer (LTV):** ARR per customer multiplied by the gross margin for the period, divided by the customer churn in the period. The LTV of the customer cohort represents the LTV multiplied by the number of customers at the period end;
- **Annualised recurring revenue (ARR):** recurring revenue from the final month in a period (licence and transaction revenue) adjusted for Monthly Messaging Days multiplied by 12 months;
- **Monthly Messaging Days:** monthly messaging days vary each month depending on days within the transactional billing cycle (26th day to the 25th day of the reporting month). To enable monthly comparisons on a consistent basis, ARR and related SaaS metrics are adjusted to a standard number of days per month to remove this volatility. The standard month is 30.4 days (365 days / 12 months); and
- **Research and development % spend of revenue:** The total of the research and development expenditure recorded in the statement of profit or loss (excluding amortisation) and the capitalised spend in the period divided by revenue.