

Appendix 4C and Activities Update – Q4 FY22

Whispir reduces cash burn, anticipates 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 June 2022 (Q4 FY22, the Quarter). The prior corresponding period (PCP) is Q4 FY21.

Quarterly Highlights

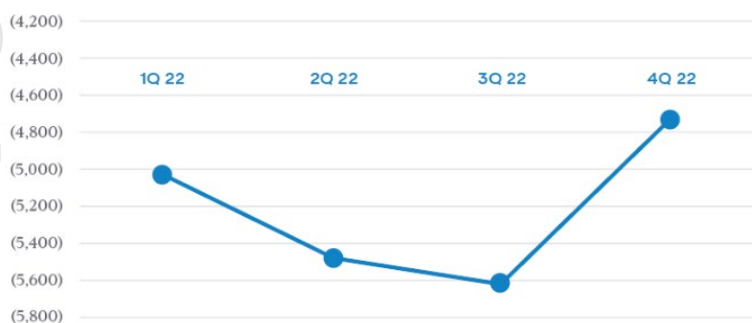
- Cash receipts for the Quarter of \$16.96 million; up 25.9% on PCP of \$13.47 million
- Free cash outflows¹ of \$4.74 million; an improvement of 15.8% on the prior quarter evidencing Company's planned cost management program is well underway
- Balance sheet strength maintained with cash position of \$26.08 million
- Cash balance to cover more than 12 months of cash burn at all times in FY23
- Positive EBITDA (excluding share-based payments) anticipated during second half of FY23

Quarterly cash flow performance

Cash burn lowest for the year

Whispir has recorded its lowest quarterly free cash outflow for the year of \$4.74 million, a significant decrease of 15.8% (\$0.89 million) on the prior quarter, as reflected in the chart below. This reduction in cash burn demonstrates the Company is delivering on its stated plan of lowering costs through efficiency gains and productivity improvements to preserve its cash balances. The decrease in cash burn was evident across all areas of the business, but notable in administration which fell by 17.9% (\$0.40 million) to \$1.83 million and staff costs (including capitalised staff costs) which fell by 4.7% (\$0.57 million) to \$11.60 million² for the Quarter.

Free Cash Flow Improvement



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

² Staff costs include payments of \$374k to related parties for non-executive director fees, managing director remuneration, & director expenses.

Cash receipts – 26% growth on PCP

Cash receipts for the Quarter were \$16.96 million, a 25.9% increase on PCP, evidencing the strong growth trajectory of the business and ongoing opportunities as the digital transformation of communication continues.

Strong cash reserves and positive EBITDA

The Company closed the Quarter with \$26.08 million of cash on hand. Importantly, current plans provide for cash reserves to be more than 12 months of cash burn at all times throughout FY23.

Through its rigorous cost management program, the Company will ensure its existing cash balance is sufficient to fund the business to reach its stated objective of positive EBITDA (excluding share-based payments) during the second half of this financial year (FY23).

Customer news

Whispir reaches milestone with over 1000 customers

Whispir now has over 1,000 customers using its communications platform. All regions showed growth this quarter, with North America being the stand-out with 16.7% growth over Q3 FY22. North America customers now account for 11.6% of the Company's customer base. Customer Revenue Retention (CRR) was 125.5% in June, an improvement of +8.4% vs PCP. Customer churn remains within expected levels of less than 5%.

Whispir platform powers Victoria Police "STOPIT" initiative

During the Quarter, the Company partnered with Victoria Police's 'STOPIT' initiative. Launched this month on all trains throughout Victoria, STOPIT aims to combat unwanted sexual behaviour on public transport by empowering people who experience or witness it to notify police discreetly and instantly. To initiate the service, commuters simply text 'STOPIT' to a dedicated phone number. Users will then receive a text with a link to a form asking for details of the incident, including the form of transport, direction of travel, offender description, and supporting images. Users can also indicate if they have video footage. Using Whispir's technology, each notification is sent directly to the police for intelligence gathering and investigation purposes.

"Whispir is helping to create real change in the community by establishing a new way to use technology to increase community engagement and safety. This new public safety use case is easily replicable in all geographic markets." says Jeromy Wells, CEO and Founder of Whispir.

FY22 results and FY23 outlook

The Company is pleased with the strength of the underlying business and looks forward to sharing its FY23 financial guidance along with the publication of the FY22 audited financial results on 17th August 2022. Details of an investor briefing will also be published in due course.

In the meantime, the Company provides the following table illustrating its anticipated financial results for FY22 relative to its FY22 guidance published in November 2021. A more fulsome commentary on these metrics will be provided when the Company releases its audited results.

Metric	FY22 Guidance Range (A\$M)		Anticipated Result
	Lower	Upper	
Revenue	64.0	68.0	Exceeds upper end of range (by < 5%)
EBITDA (excl SBP) loss	(13.2)	(11.2)	Exceeds upper end of range (by < 10%)
R&D Investment	17.0	18.0	Below lower end of range (by < 5%)
ARR	65.4	70.0	Lower end of range

Whispir CEO Jeromy Wells said: "Whispir continues to sign new customers, expand its offering to existing customers, and find new markets and applications for its communications platform. With a robust cash position and a clear strategy for its three main geographical markets, the Company is well placed to achieve its goals of profitable operations during the second half of FY23 and becoming cash accretive during FY24."

-ENDS-

Authorised by the Disclosure Committee.

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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 2022

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	16,960	78,546
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(6,191)	(32,391)
(c) advertising and marketing	(1,414)	(6,202)
(d) leased assets	-	-
(e) staff costs	(9,247)	(38,643)
(f) administration and corporate costs	(1,829)	(10,086)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	16	173
1.5 Interest and other costs of finance paid*	34	(284)
1.6 Income taxes paid	(30)	80
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(611)	(2,905)
1.9 Net cash from / (used in) operating activities	(2,312)	(11,712)

*Interest costs this quarter include a positive adjustment for leases relating to last quarter

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(71)	(568)
(d) investments	-	-
(e) intellectual property	(2,352)	(8,593)
(f) other non-current assets	-	-

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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)	(96)	(1,308)
2.6	Net cash from / (used in) investing activities	(2,519)	(10,469)

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)	(353)	(976)
3.10	Net cash from / (used in) financing activities	(353)	(967)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	31,162	49,173
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,312)	(11,712)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,519)	(10,469)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(353)	(967)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	100	53
4.6	Cash and cash equivalents at end of period	26,078	26,078

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	25,568	30,652
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)	26,078	31,162

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	374
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<p>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.</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)	121	33
7.4	Total financing facilities	121	33
7.5	Unused financing facilities available at quarter end		98
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)	(2,312)
8.2	Cash and cash equivalents at quarter end (item 4.6)	26,078
8.3	Unused finance facilities available at quarter end (item 7.5)	98
8.4	Total available funding (item 8.2 + item 8.3)	26,176
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	11
	<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: 25 July 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.