



## ASX Announcement

19 April 2021

Whispir Limited (ASX: WSP)

# Updated ARR reporting methodology

Whispir Limited (**Whispir** or **Company**), a leading software-as-a-service (SaaS) communications workflow platform that automates interactions between organisations and people, advises it has updated its methodology for calculating Annualised Recurring Revenue (**ARR**) to remove the volatility caused by variances in the number of days in a month.

Whispir has previously calculated ARR based upon Monthly Recurring Revenue (**MRR**) multiplied by 12, to represent the annualised recurring revenue for the reported quarter.

MRR consists of three main elements:

1. Platform and Software revenue comprised of subscription fees from customers accessing the Whispir platform. Customers are invoiced one month in advance, and revenue is recognised in the month of platform access. This revenue is recognised on a fixed value monthly charge based upon the contractual platform fee.
2. Support revenue is treated in a manner consistent with platform and software revenue.
3. Transactional revenue represents amounts charged to customers for transactions sent through the Whispir platform and is based on contractual prices for transactions. Invoicing for transactional revenue occurs at the end of each month and is invoiced in arrears.

The monthly cycle for transactional revenue is based upon a fixed period commencing the 26<sup>th</sup> day of the month to the 25<sup>th</sup> day of the following month. Due to variances in the number of days in a month, there is an underlying distortion/volatility that may occur in MRR that does not always reflect the underlying ARR performance.

To more accurately reflect Whispir's underlying ARR performance and eliminate the volatility impact of variances in the number of days in a month, Whispir has implemented the following amendments to reporting ARR:

- Determine the typical monthly reporting period. The Whispir platform is available and used seven days per week. On this basis, the typical reporting period has been determined as follows:
  - 365 days divided by 12 months
  - Resulting in a messaging day "norm" of 30.4 days per month
- Apply the messaging day norm to the actual messaging days in the reported month to determine the delta percentage
- Apply the delta percentage to the reported monthly transactional revenue to determine messaging day transactional revenue. The adjustment is only made to transactional revenue, not total MRR.

## Historical impacts

An analysis of Whispir's historical quarterly reported ARR and revised ARR is as follows:

Period End	Reported ARR (\$m)	Messaging day ARR (\$m)	Variance (\$m)	Messaging days in reported ARR month	'Norm' messaging days	Delta
Jun-19	31.5	31.3	0.2	31	30.4	-1.9%
Sep-19	34.5	34.0	0.5	31	30.4	-1.9%
Dec-19	36.7	37.0	-0.3	30	30.4	1.3%
Mar-20 *	40.5	41.8	-1.3	29	30.4	4.8%
Jun-20	42.2	41.7	0.5	31	30.4	-1.9%
Sep-20	43.7	43.1	0.6	31	30.4	-1.9%
Dec-20	47.4	47.8	-0.4	30	30.4	1.3%
Mar-21	47.6	50.3	-2.7	28	30.4	8.6%
Jun-21				31	30.4	-1.9%

\* Mar 20 volatility was lessened due to 2020 being a leap year

## ARR Guidance

The March 2021 ARR of \$50.3M will be discussed in the Quarterly Update to be released on 22 April 2021. The Company maintains the current FY21 ARR guidance.

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](http://www.whispir.com).