

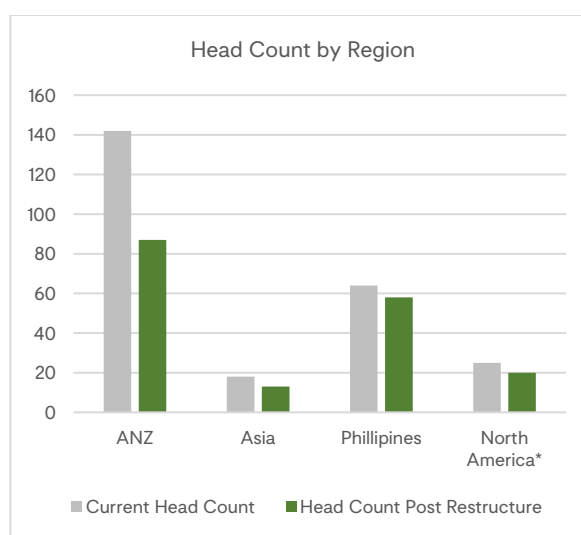
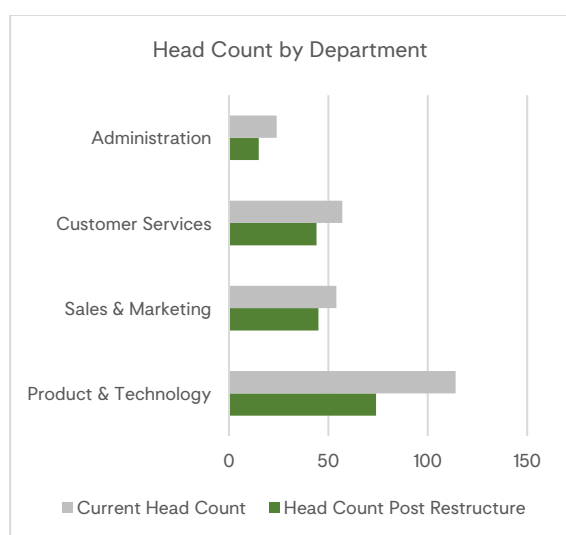
ASX Announcement
15 November 2022

Whispir Limited
(ASX : WSP)

Whispir brings forward commitment to be cash flow positive following internal restructure

Whispir Limited (ASX:WSP, **Whispir** or **Company**) today announced an internal restructure to place the Company on track to be cash accretive from Q3 FY23. The sooner than expected transition to profitability and positive cash generation follows the Board's approval this morning of an internal restructure which reduces approximately 80 roles (30%) in the business, delivering annualised savings of approximately \$14.3 million.

Under this plan, the Company will scale back its investment in R&D, via a reduction in headcount in the product and technology teams, until sufficient cash is being generated to ensure sustainable and self-funded reinvestment. Savings will also be realised across marketing, customer services and administration functions, with the direct sales teams largely unaffected. Approximately 70% of the roles affected are based in Australia. A total of \$1.8 million is anticipated to be incurred as a one-off restructuring cost. The charts below demonstrate the reductions by department and region:



*Includes global marketing

This resizing of the business is expected to reduce the Company's operating cash expenditure by \$14.3 million per annum from December 2022, over and above the savings realised to date through the Company's efficiency program. This additional cost reduction will ensure the Company's current Annual Recurring Revenue (ARR) of \$62 million¹ exceeds the annualised cost base. With cash reserves of \$17.1 million¹, the business will not need to raise capital to fund its ongoing operations and positions the Company to maintain a strong balance sheet.

¹ As at 30 September 2022

With the strong sales pipeline across all major regions, expected revenue growth (above ARR) will generate positive returns which will be reinvested back into the business in the short term. Importantly, this plan does not impede the Company's long-term growth aspirations.

Today, with most of the head count reduction occurring within the product and technology teams, the primary focus will be on the security, stability and scalability of the core platform while catering for the continuing growth. Non-essential work, including dedicated research and service design work, will pause until future reinvestment permits. Third party marketing expenditure will be substantially reduced, with future campaigns directed to target segments where there has been proven success and persistently strong growth opportunities. Importantly, short term sales performance remains largely unaffected with strong pipelines of opportunities in all regions.

The Company will continue to focus on delivering revenue growth and improvement in gross margins in all regions, via its land and expand strategy, and by maximising partner relationships. Whispir provides low churn, business critical, services to its customers. As such, the business is fundamentally well positioned to succeed in challenging market conditions. As manual communication processes become automated at scale, many customers will utilise more of the Whispir platform as they unlock the benefits it delivers for them.

Whispir CEO and Founder Jeromy Wells said: "We have taken this step to enable Whispir to establish itself as a profitable growth business. The Company has been through a period of significant growth which means that there are now areas that can be scaled back to pre-COVID levels for a period as the Company transitions to growing sustainably and profitably without the need for additional capital. Those team members affected will be supported through this difficult period, with access to career assistance, job placement support and our Employee Assistance Program.

"With this restructure we expect the Company will be both EBITDA² positive and cash accretive from next quarter onwards. Given our confidence in the Whispir platform and the substantial growth opportunities for our Company, we are no less ambitious for the future. This plan ensures we will now have the financial stability to grow profitably and self-sustainably from this coming Quarter."

The Company will provide a more detailed update at its upcoming AGM on 23 November 2022.

-ENDS-

Authorised by the Disclosure Committee.

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About Whispir

² Earnings Before Interest, Tax, Depreciation, Amortisation and non-cash share-based payments

Whispir provides a cloud-based communications platform for corporate and public sector customers globally. Whispir's tools connect business and people unifying various messaging systems: SMS/MMS, voice, email, web, social and app alerts on one platform. The product is used for business coordination, customer engagement and crisis management. The product is charged on a blended subscription and usage basis and is sold directly and through a reseller network with partners including large international telecommunications carriers.

More information www.whispir.com