

August 2023

FY 2023 Results

Whispir Limited



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- Currency All amounts in this presentation are in Australian dollars unless otherwise stated.
- FY refers to the full year to 30 June.
- Rounding Amounts in this document have been rounded to the nearest \$0.1m. Any differences between this document and the accompanying financial statements are due to rounding.

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Agenda

Introducing Whispir

CaaS Platform solving communication challenges for enterprise

FY23 Achievements & Results

Reduced cost base, improving gross margins, trending to free cash flow positive

Growth Strategy

Existing install-base to drive revenue growth with planned product releases

Outlook & Investment Proposition

Planned revenue growth with improved margins leads to positive free cash flow



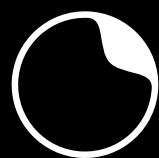
Jeromy Wells

Founder & Chief Executive Officer



Jenni Pilcher

Chief Financial Officer
& Company Secretary

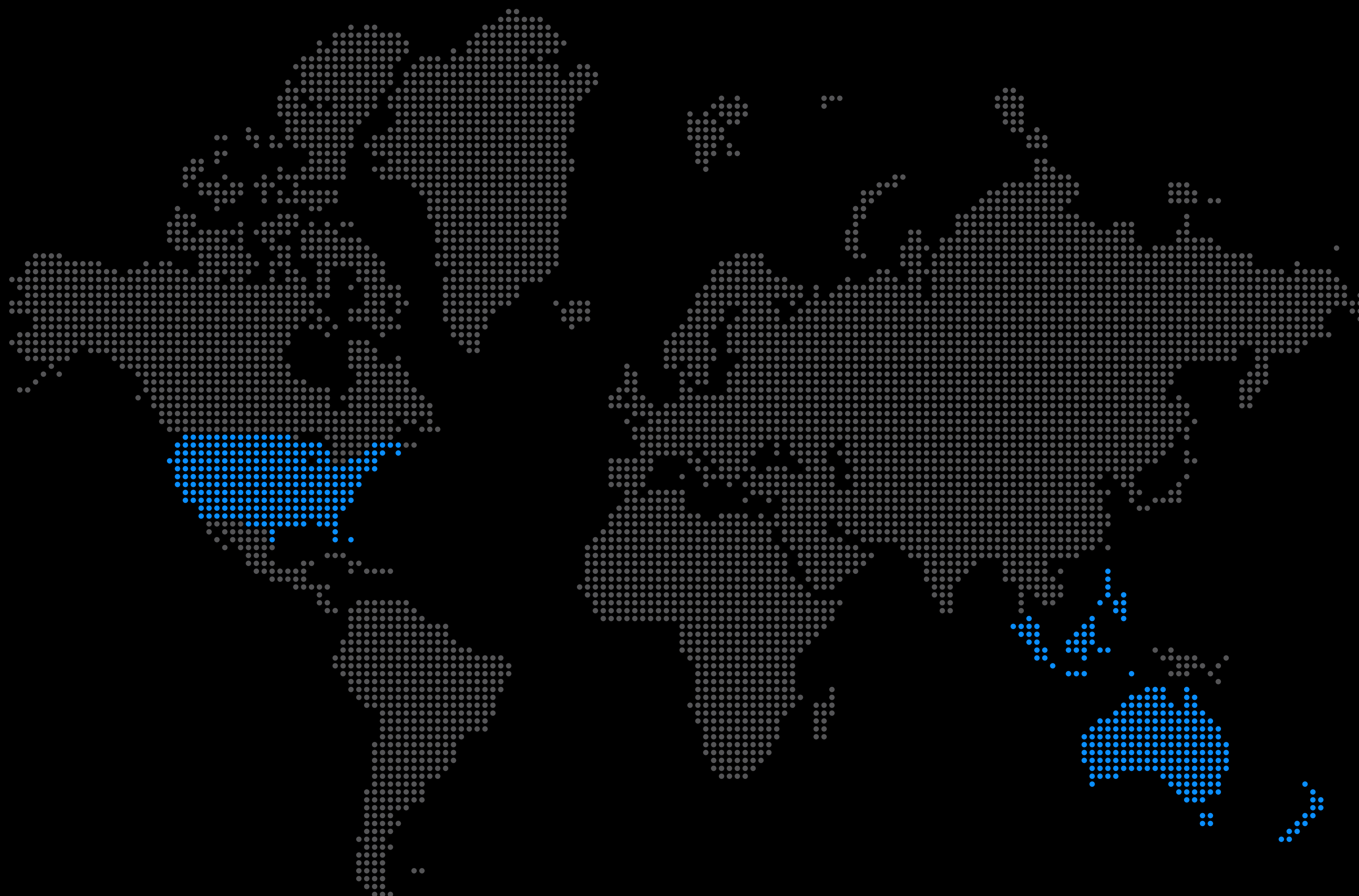


Whispir Today

A S X W S P

Whispir provides a cloud-based communications platform for enterprise customers globally. Whispir's tools connect business and people - unifying various messaging systems eg SMS/MMS, voice, email, web, social and app alerts on one platform.

The platform facilitates business coordination, customer engagement and crisis management. The product is billed on a subscription plus usage basis and is sold through a reseller partner network that includes large international telecommunications carriers, and direct sales.

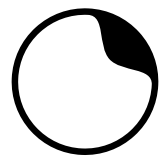




Our ambition

Enabling effective and personal engagement with people at scale, for enterprises and governments globally.

1. The world's highest engagement rates
2. A complete and actionable view of the customer
3. Distraction-free, highly-targeted messaging



Our customers

Diverse blue chip customer base with substantial opportunities for growth

A sample of customer logos:

Consumer



Education



Emergency Services



Finance, Insurance & Legal



Government



Healthcare



IT, Telecommunications & Media



Resources Mining



Transport Logistics



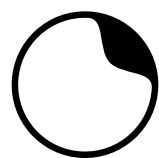
Utilities Infrastructure





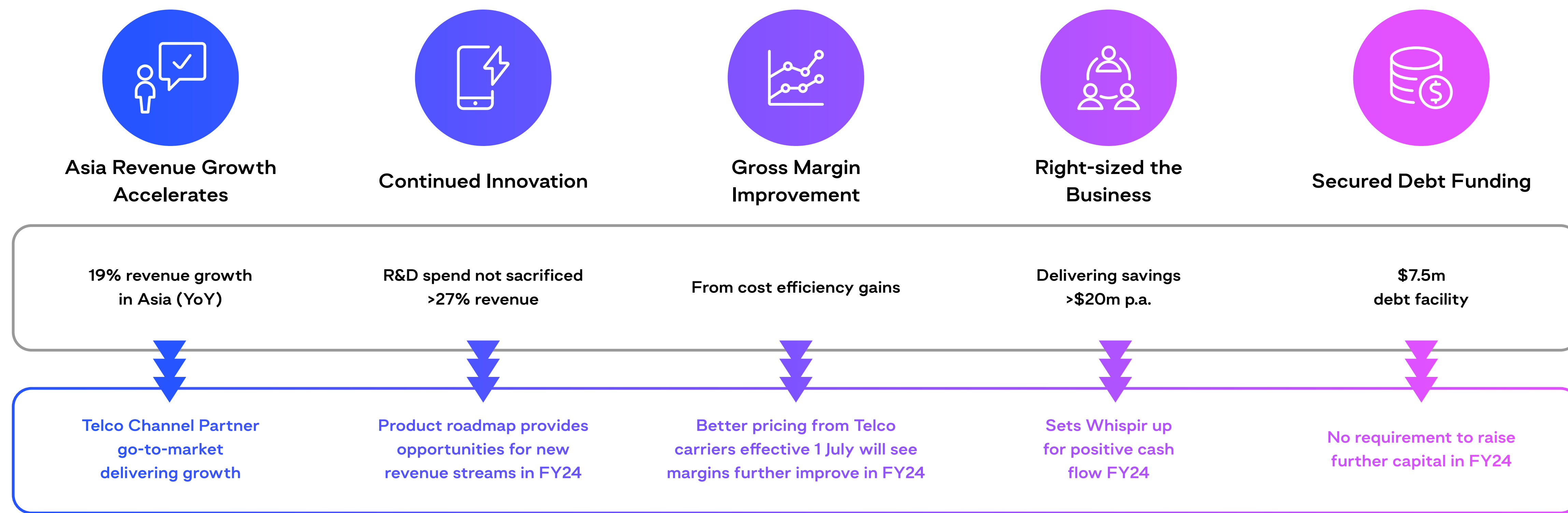
Positive cash flow is imminent with restructured cost base and strengthened gross margins. Revenue (post-pandemic) shows signs of regrowth, supported by a robust sales pipeline. Whispir is in a sound position to continue executing its strategic priorities in FY24.*

*pandemic is referred to through-out this presentation and means the global COVID-19 (also known as "corona virus") pandemic



FY23 Achievements

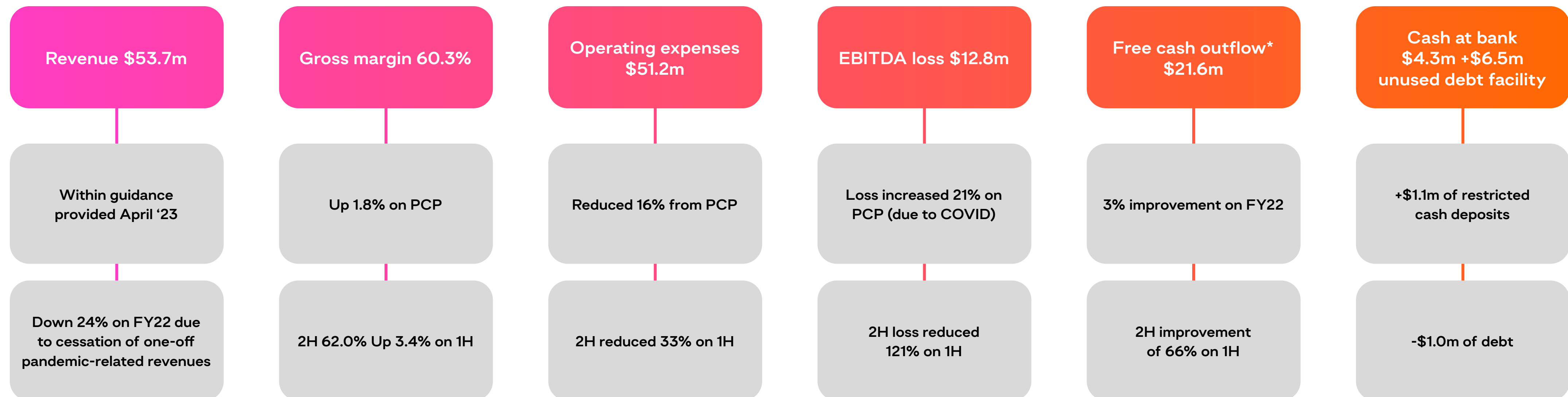
In FY23 Whispir focused on shoring up its financial position & right-sizing the business whilst not forsaking innovation – providing a solid platform for growth ahead





FY23 Headline Results

FY23 result (whilst down on FY22 due to loss of one-off pandemic-related revenue) shows a demonstrably better second half with cash losses substantially reduced

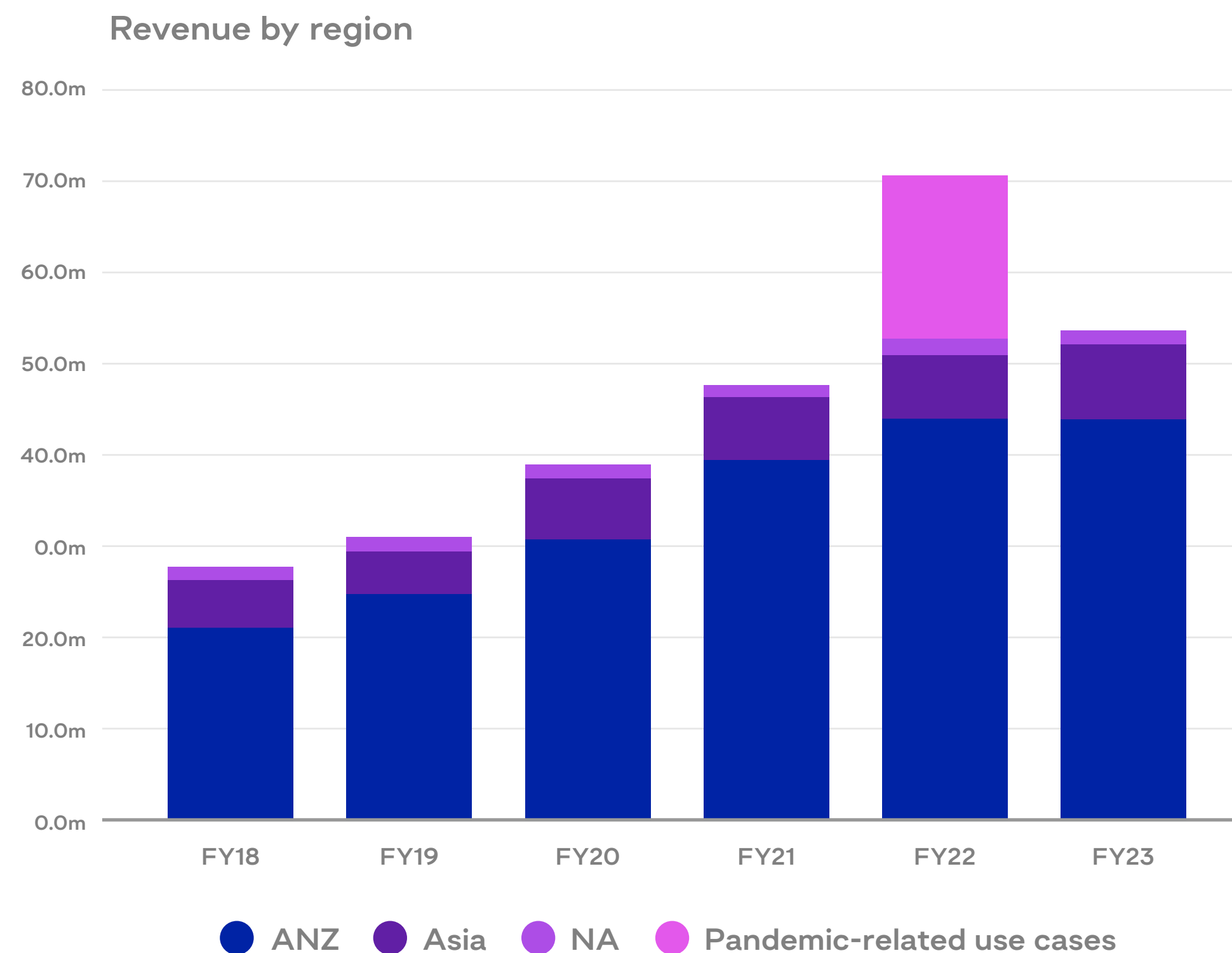


*Cash flow from operating and investing activities (excluding leasehold fit-out refunded via a lease incentive payment shown in financing activities).



Asia growth accelerating; ANZ poised to rebound

Asia revenue up 19% as the region gathers momentum; ANZ and North America revenue down as expected, with second half revenue stabilising as pandemic-related revenue washes through



Asia

- Asia revenue grew 19% to \$8.0m as momentum grows off the back of the large Channel Partner

ANZ

- ANZ revenue fell 29% to \$44.2m as pandemic-related revenues ceased

North America

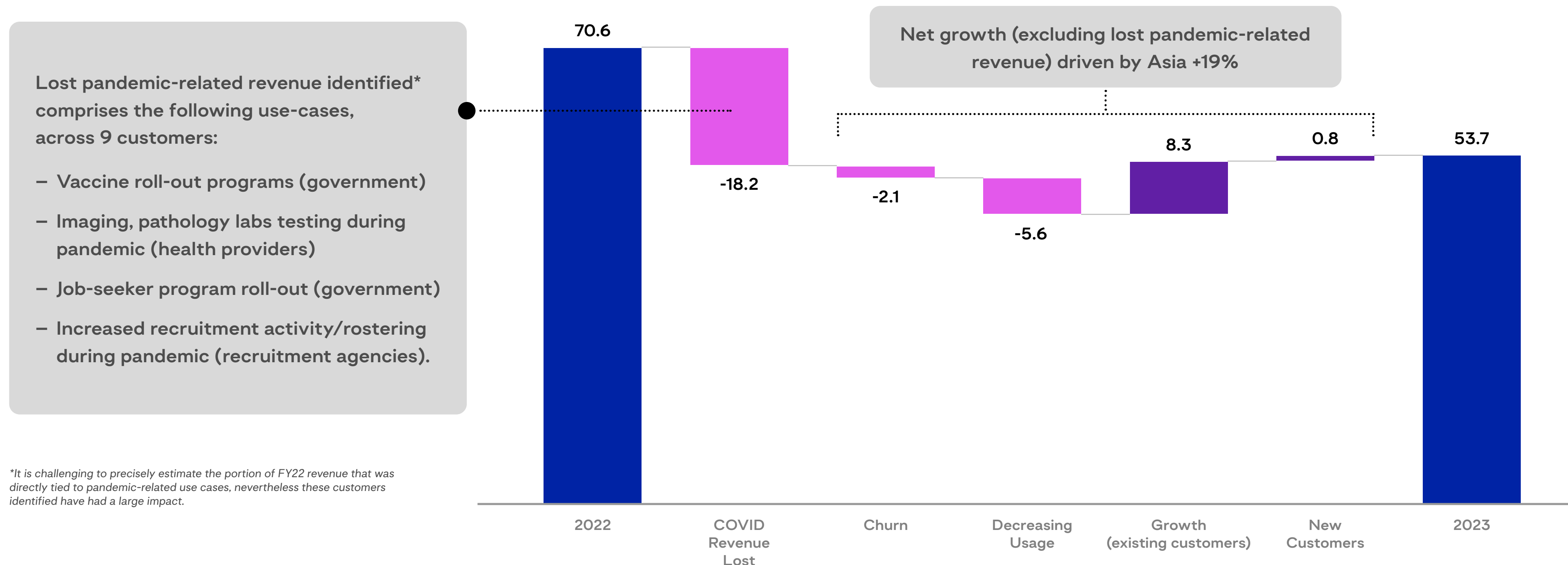
- NA revenue fell 16% to \$1.5m as Whispir focuses on the Asia opportunity



Churn remains low. Revenue retention >103%

Revenue Churn LTM 3.0%; Net Revenue Retention 103% (excluding FY22 pandemic-related revenue)

Total Revenue Waterfall FY22 to FY23

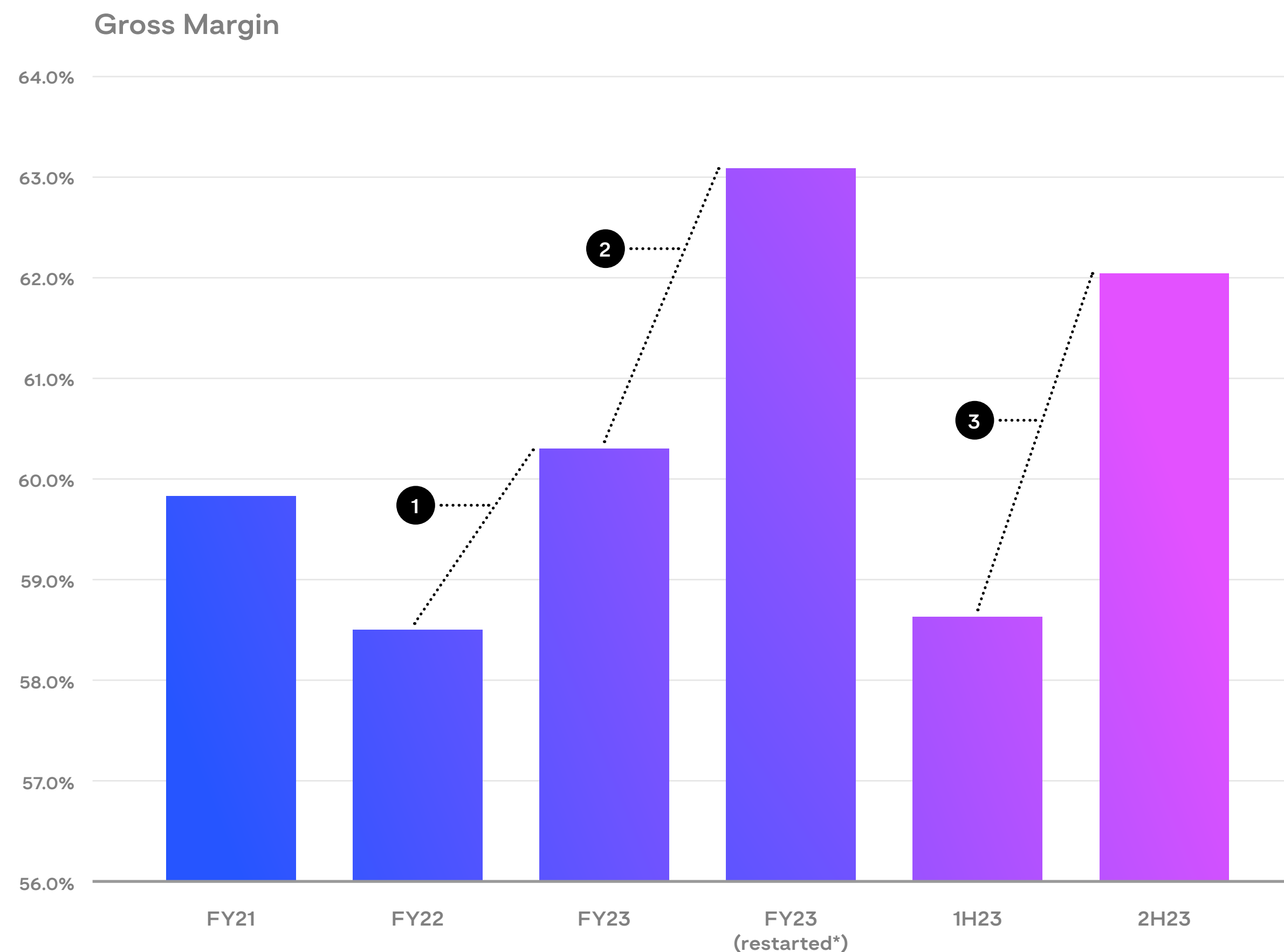




Improving Gross Margin - 2H 62.0%

Gross margins continue to improve, due to:

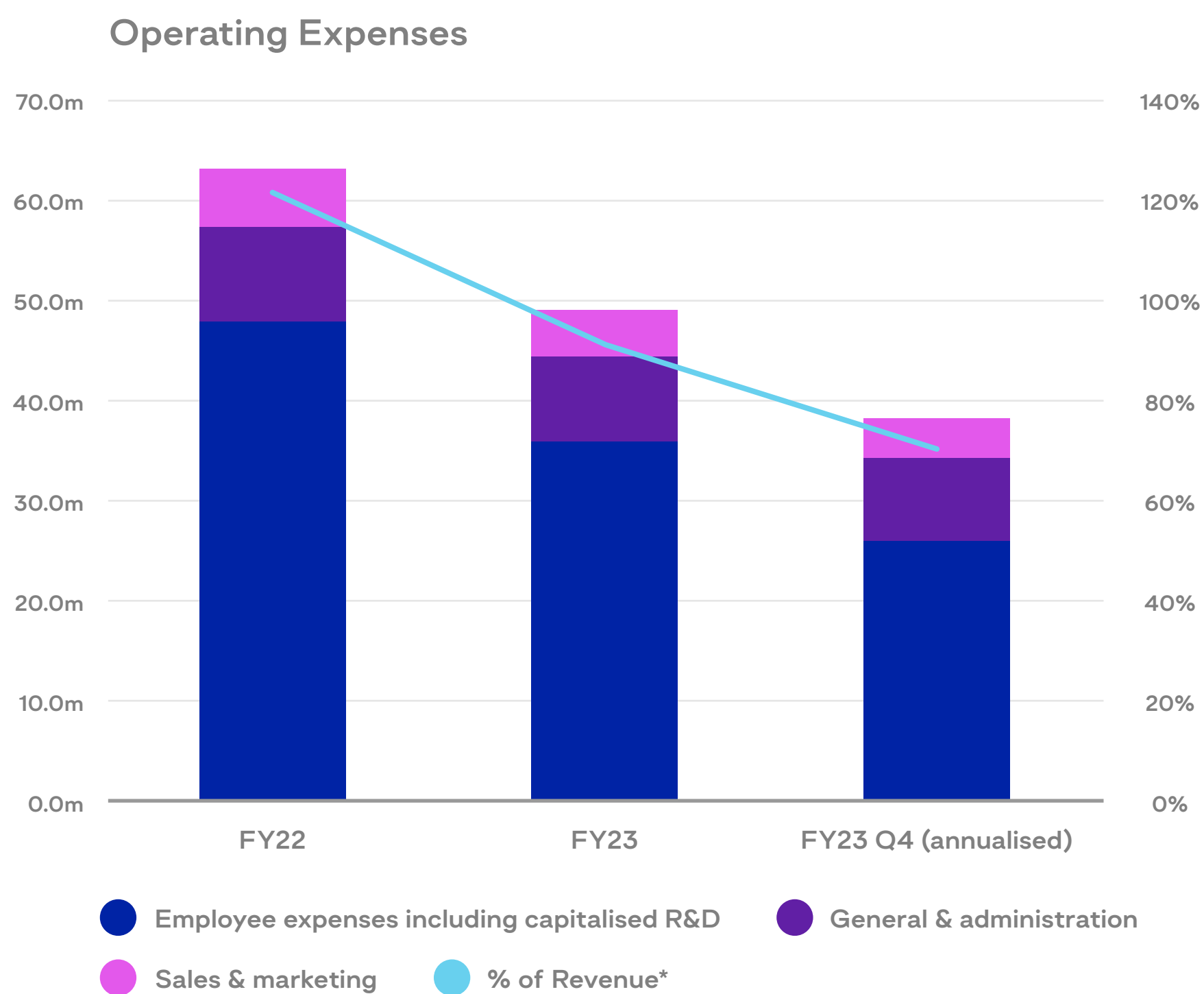
- 1 Change in revenue mix from transaction towards software licensing (FY22 to FY23 improvement)
- 2 Efficiency management programs yielding rewards – (1H23 to 2H23 improvement)
- 3 Better pricing obtained from telco partners in June 2023 (FY23 to FY23 restated improvement) – will carry into FY24.



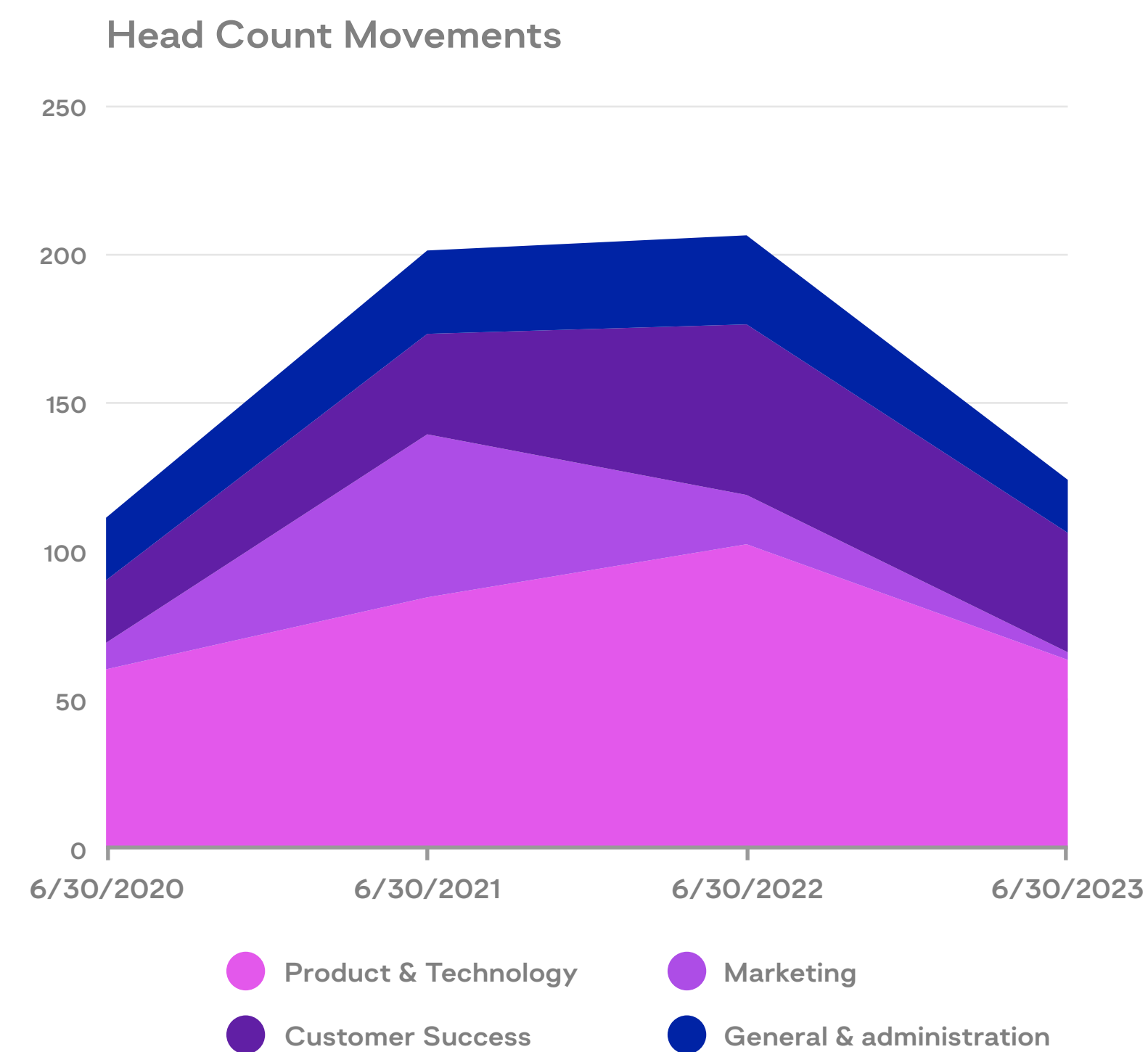


Business has been right-sized – savings >\$20m per annum

Operating expenses (mainly labour) have fallen considerably since Q1 - following successful restructure program



*FY22 revenue excludes pandemic-related revenue such that it can provide a like-for-like comparison to FY23

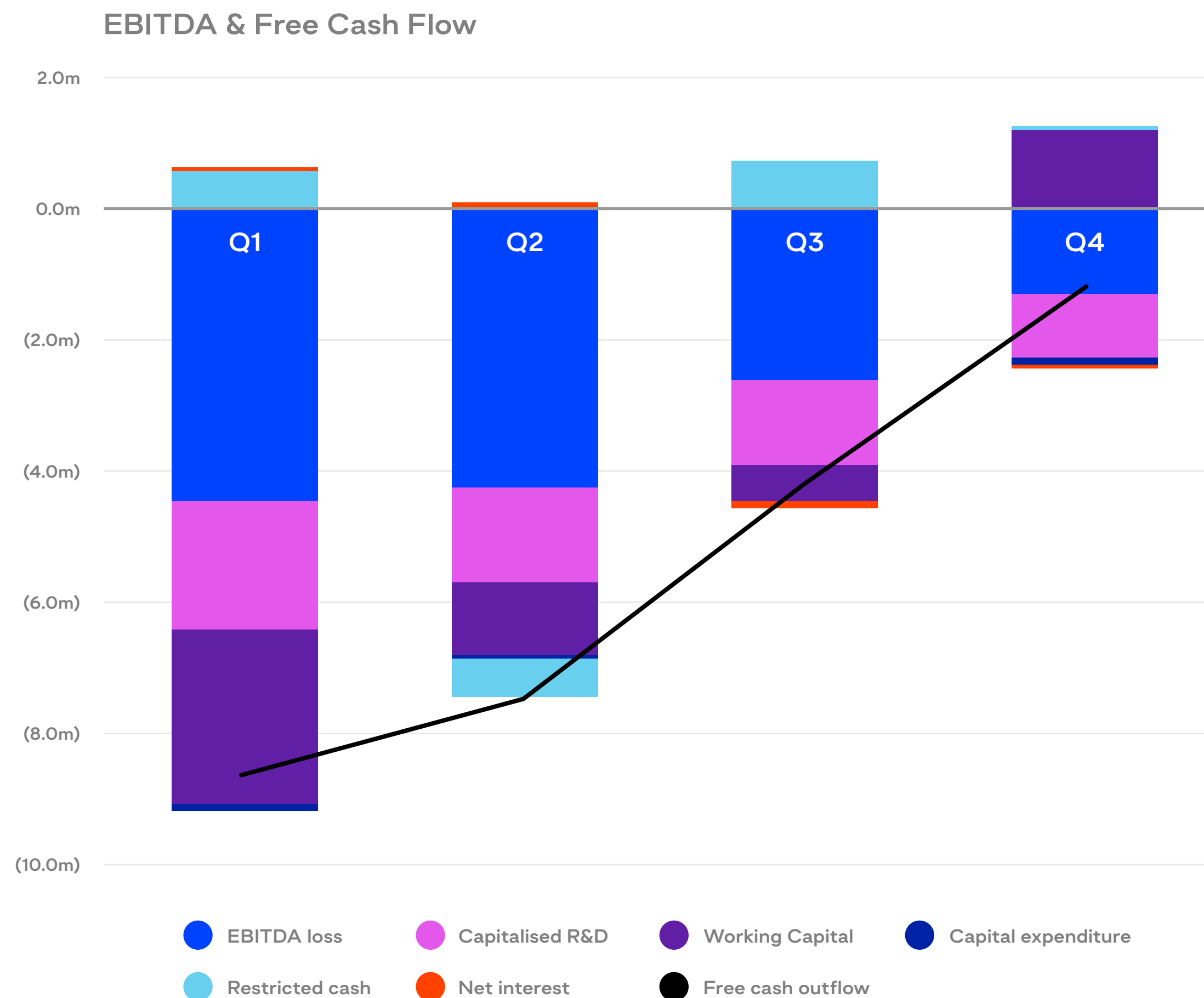




Trending to positive free cash flow

EBITDA and free cash flow significantly improve as Group delivers >\$20m savings p.a.

- Group executes a major restructure in November (delivered >\$14m savings p/a)
- Down-sizing of US operations completed in March (delivered a further >\$4m in savings)
- Further efficiency gains have been made through-out the course of the year delivering >\$2m.





Growth strategy

FY24 is all about transitioning to profitable, self-sustaining growth with growth coming from the following key areas:

1

Increased utilisation of the Whispir Platform by existing customers via sales & customer success teams.

2

Four new product releases planned delivering new revenue streams.

3

Leveraging our Channel Partners for capital efficient go-to-market.

4

More integrations with 3rd party software solutions.

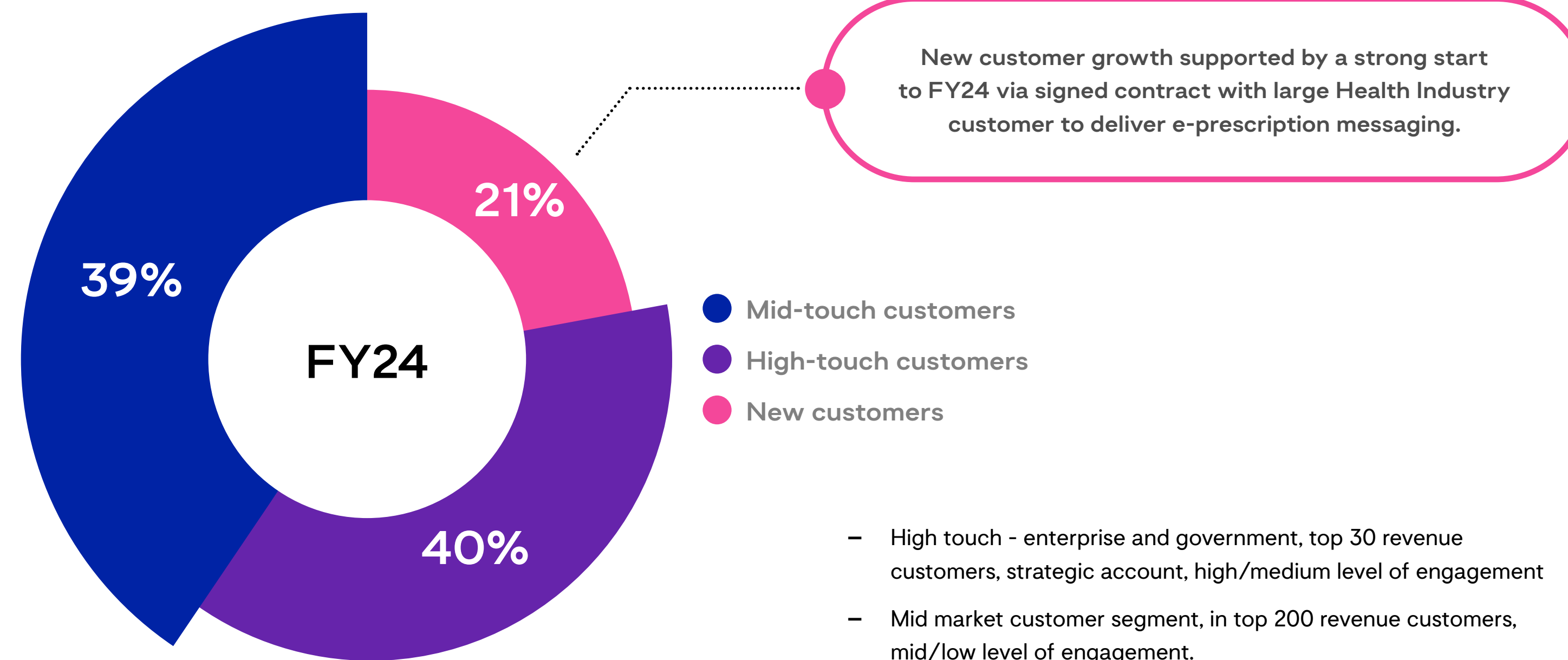
Implemented with a commitment to deliver positive free cashflow in FY24



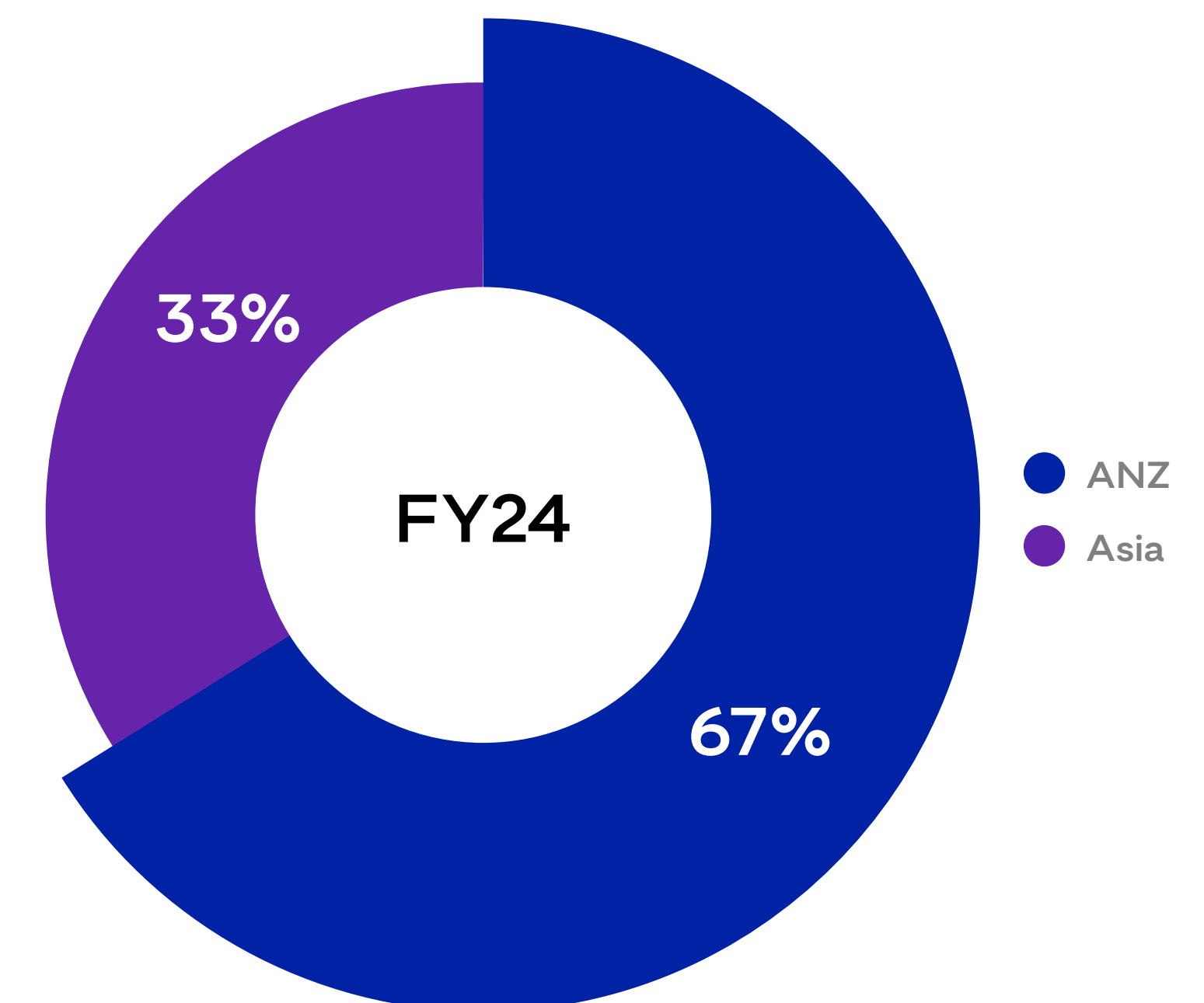
Install base to drive future growth

Whispir's blue chip customer base in particular is expected to deliver ~80% of forecast growth in FY24 via new saleable platform features, Channel Partner go-to-market plans, and our own sales & customer success teams

Expected Growth by Customer Type



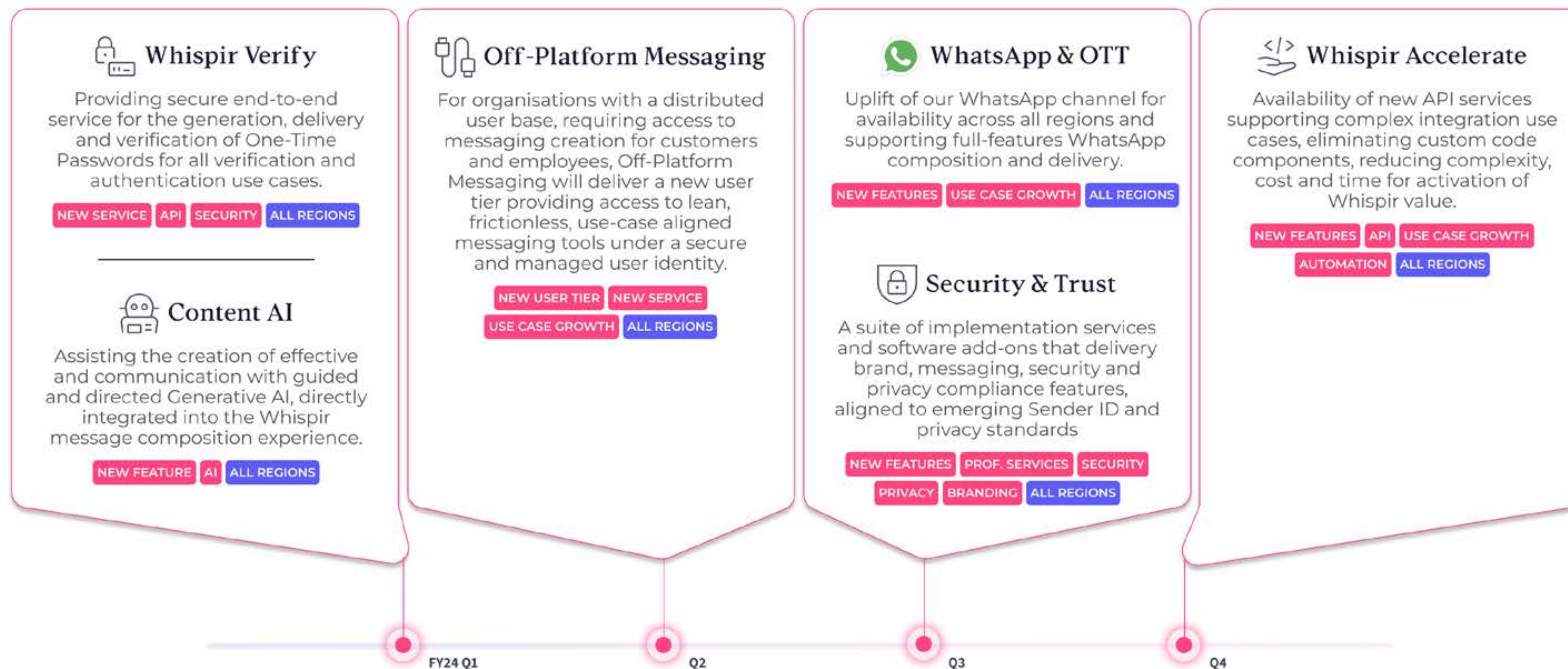
Expected Growth by Region





Rapid roll out of new product innovations

Four major releases targeting revenue diversification and growth





Path to profitability

Operating leverage strengthens

To demonstrate:

At the current gross margin of 62% and current cost base of ~\$36m per annum (inclusive of capitalised labour costs):

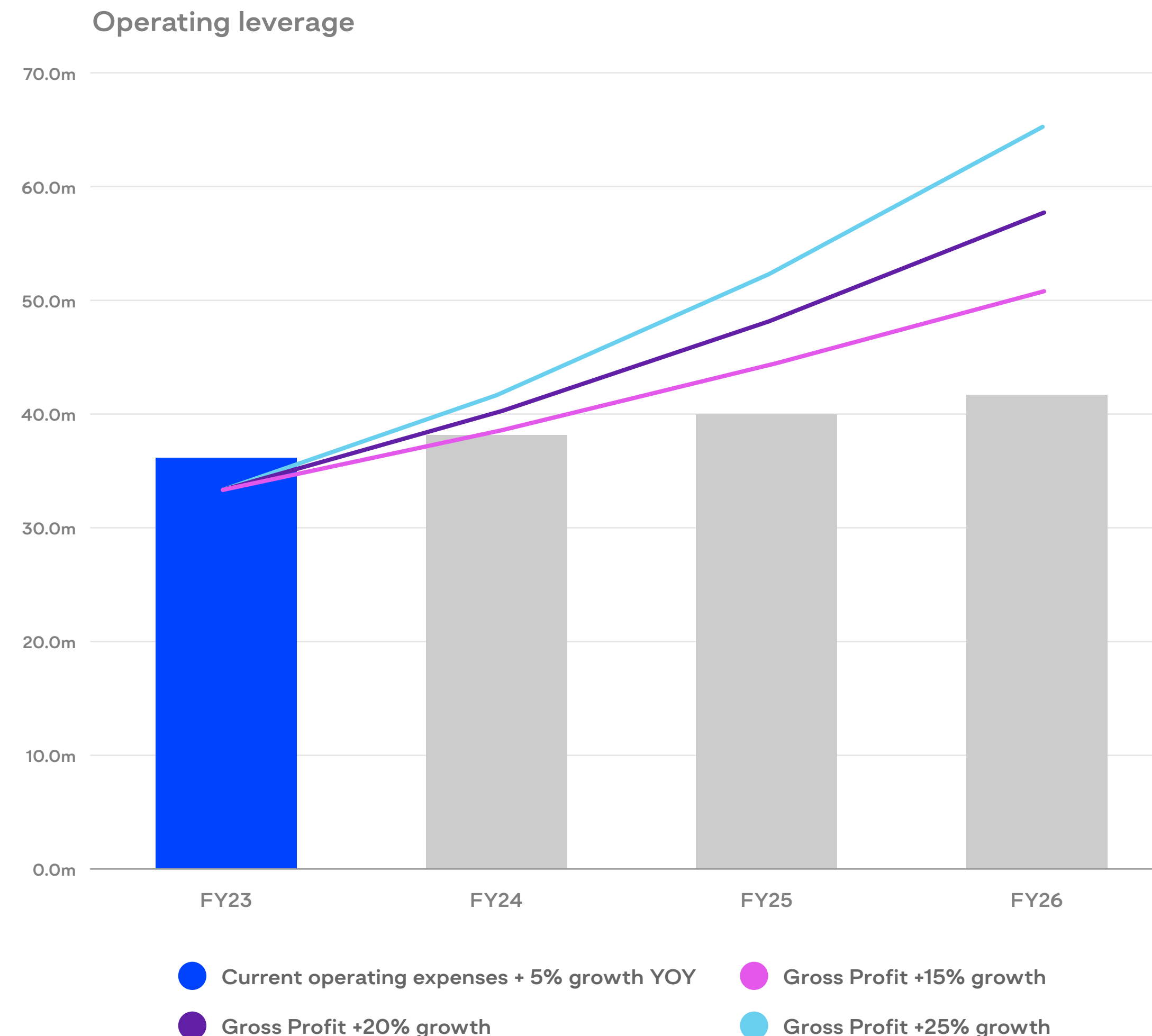
- FY23 would have resulted in a minor cash loss of \$2.7m
- FY23 revenue +8% growth would have produced a cash break even result.

FY24

The Company expects:

- further improvement in gross margins as a result of more competitive pricing already secured from Telco partners
- operating expenses to be kept relatively flat
- to execute its revenue growth plans.

This will lead to a free cash flow positive result during 2H FY24.





FY24 Outlook

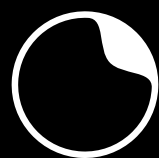
Positive free cash flow driven by strengthened operating leverage and planned revenue growth

- Execution of the product road map – delivering four new major releases
- Revenue growth largely driven by existing install-base increasing usage
- Continued improvement in gross margins, driven by more favourable wholesale pricing recently obtained from Telco carriers
- Cost base to remain capped at \$36m
- Generating free cash flow from 2H FY24 onwards.



Value proposition

- 1. Leadership position serving a large and growing addressable market for digital communications*
- 2. Established track record of securing new customers through telco partnerships alongside a sophisticated direct sales capacity provides for a capital efficient go to market*
- 3. Quality install base of blue-chip companies across a diversity of sectors and geographies provides a de-risked pathway to organic growth*
- 4. Strengthening operating leverage via improving gross margins and reset cost base*
- 5. Positive free cash flows during FY24.*

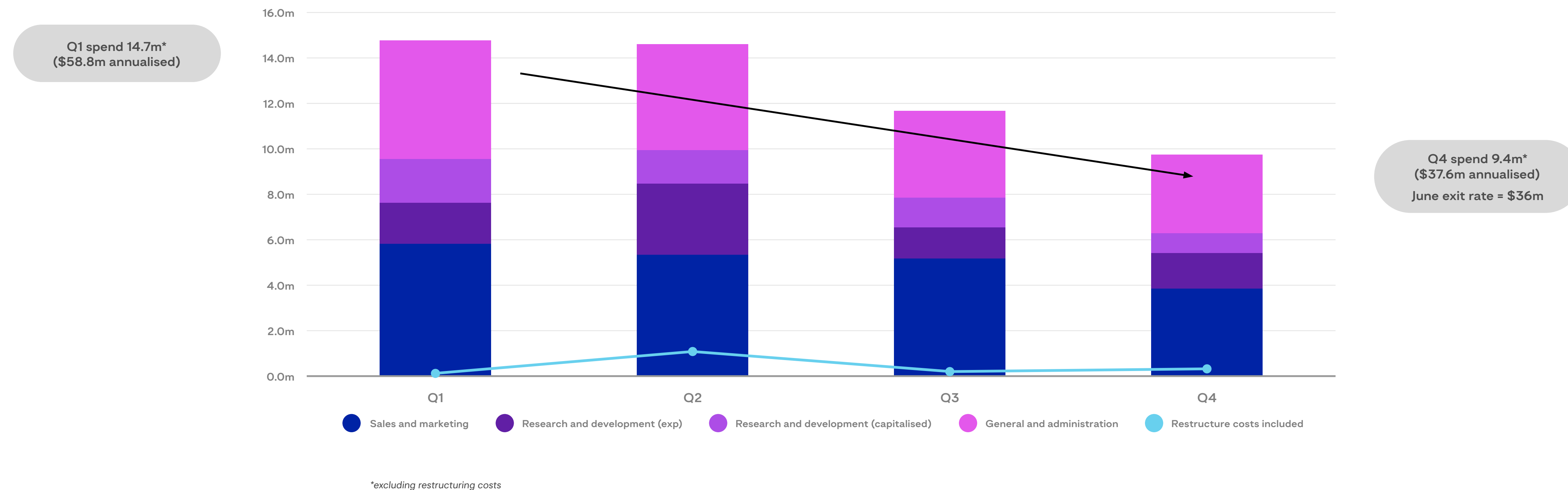


Appendices



Quarterly expenditure reducing to \$37.6m annualised

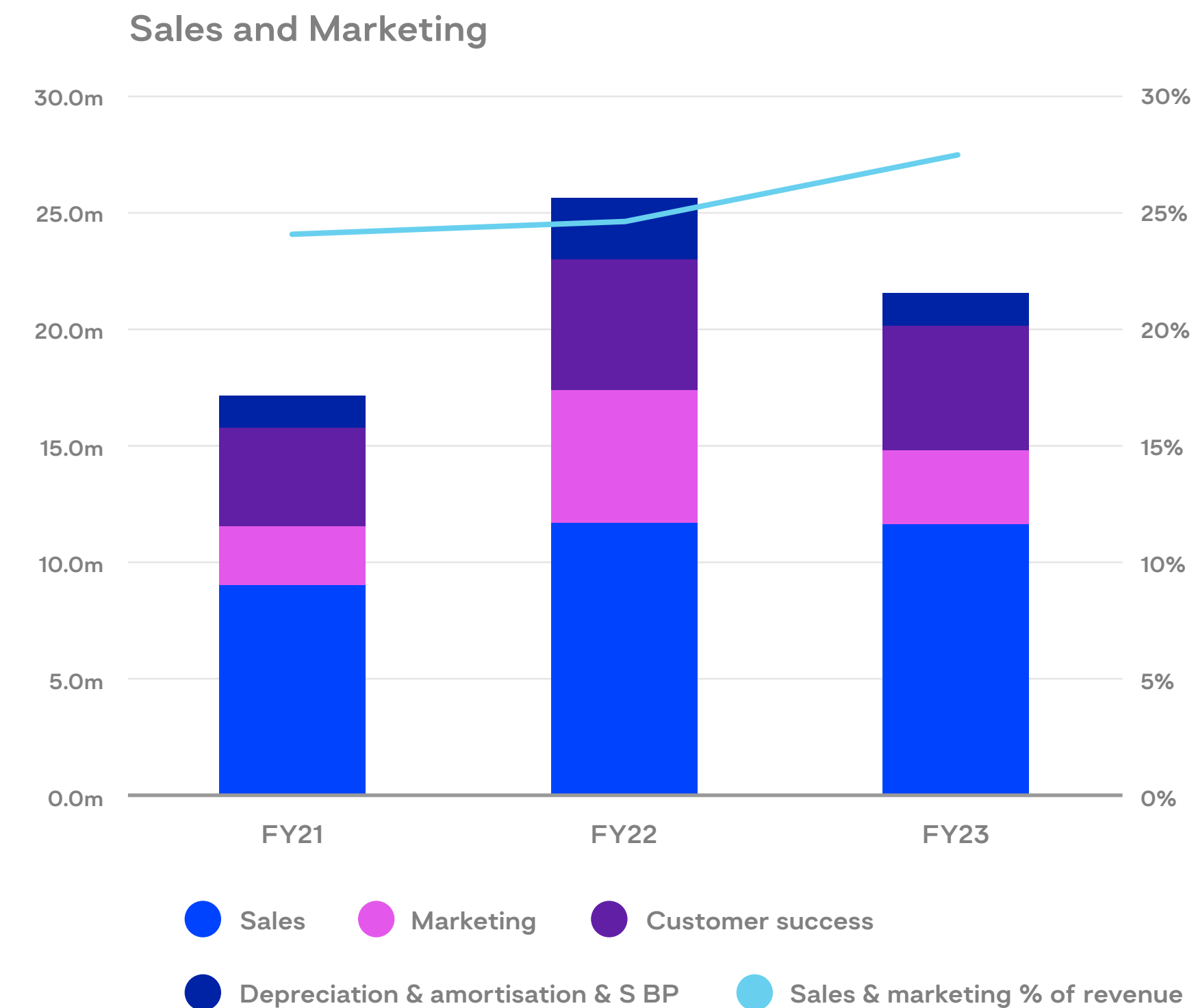
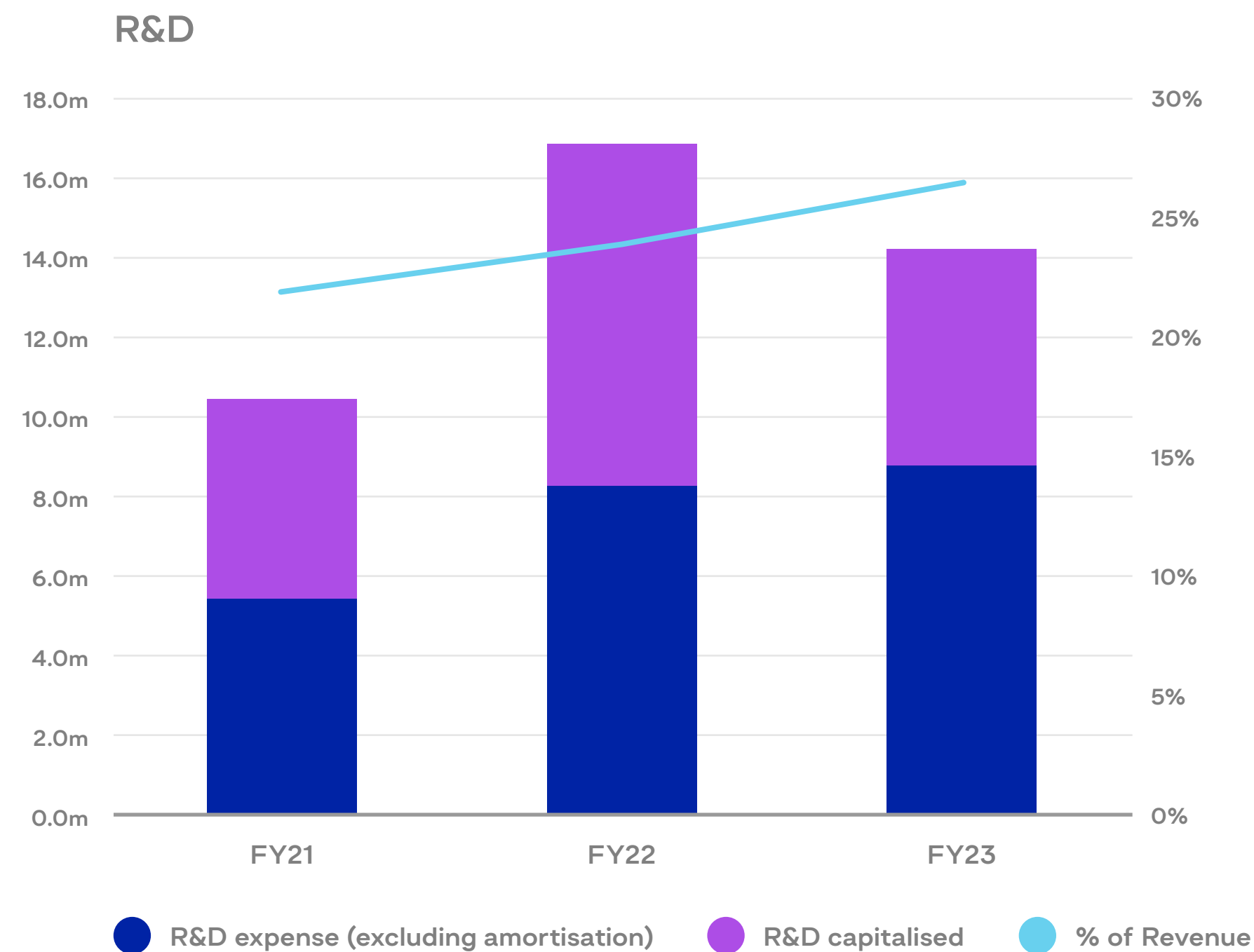
Operating expenses (mainly labour) have fallen considerably since Q1 - following successful restructure program





R&D 27% of revenue as innovation remains a core focus

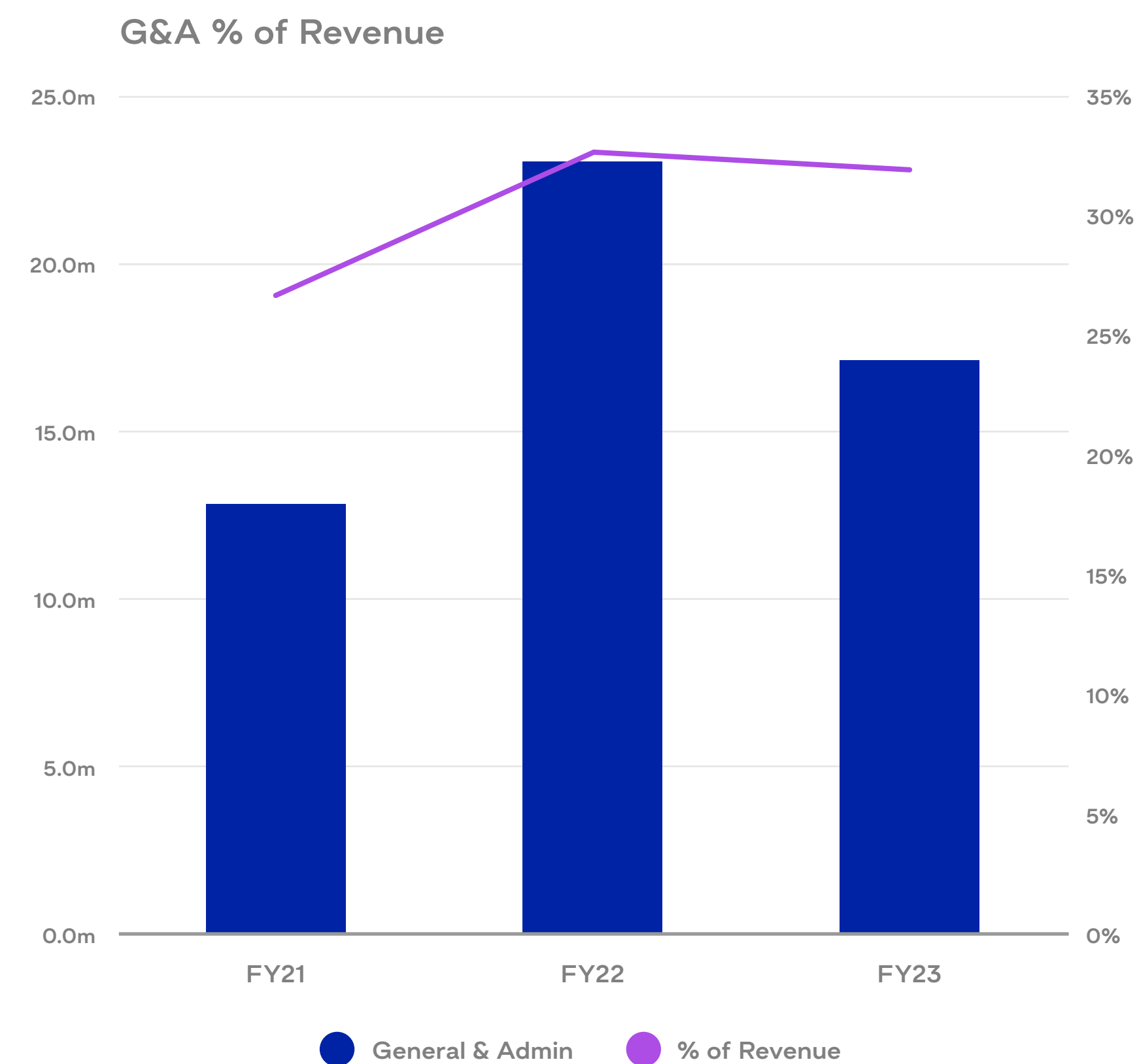
Marketing expenses have been reduced in order to save costs, whereas sales have been preserved





G&A expenditure significantly reduced

General and administration expenses have fallen considerably post restructure





P&L (abbreviated)

Consolidated	2023 \$'000	2022 \$'000	Change \$'000	Change %
Total revenue	53,736	70,623	(16,887)	(23.9%)
Cost of services	(21,346)	(29,331)	7,985	(27.2%)
Gross profit	32,390	41,292	(8,902)	(21.6%)
Gross margin %	60.3%	58.5%	1.8%	3.0%
Operating expenses	(51,233)	(60,724)	9,491	(15.6%)
Net interest and income tax expense	(138)	(4)	(134)	3350.0%
Net loss after tax	(18,981)	(19,436)	455	(2.3%)
<i>Add back:</i>				
- depreciation and amortisation	6,218	6,822	(604)	(8.9%)
- net interest and tax	138	4	134	3350.0%
- share-based payments (credit)/expense	(133)	2,031	(2,164)	(106.5%)
EBITDA (excluding non-cash share-based payments)	(12,758)	(10,579)	(2,179)	20.6%



Balance Sheet

As at 30 June 2023

		Consolidated	
	Note	2023 \$'000	2022 (Restated) \$'000
Assets			
Current assets			
Cash and cash equivalents	9	4,320	26,077
Trade and other receivables	10	6,576	6,265
Prepayments		1,556	2,190
Contract acquisition costs	11	-	679
Interest bearing assets		624	1,957
Total current assets		13,076	37,168
Non-current assets			
Property, plant, and equipment	12	2,951	1,266
Intangibles	13	17,743	15,725
Right-of-use assets	14	3,860	656
Contract acquisition costs	11	-	268
Interest bearing assets		976	-
Total non-current assets		25,530	17,915
Total assets		38,606	55,083
Liabilities			
Current liabilities			
Trade and other payables	15	8,044	10,145
Contract liabilities	16	1,715	2,966
Borrowings	17	375	-
Employee benefits	18	1,473	2,265
Lease liabilities	19	984	915
Derivative financial liabilities	20	69	-
Total current liabilities		12,660	16,291
Non-current liabilities			
Contract liabilities	16	80	67
Borrowings	17	281	-
Employee benefits	18	46	130
Lease liabilities	19	5,707	225
Derivative financial liabilities	20	81	-
Total non-current liabilities		6,195	422
Total liabilities		18,855	16,713
Net assets		19,750	38,370
Equity			
Issued capital	21	137,064	136,305
Reserves	22	3,389	3,788
Accumulated losses		(120,703)	(101,723)
Total equity		19,750	38,370

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



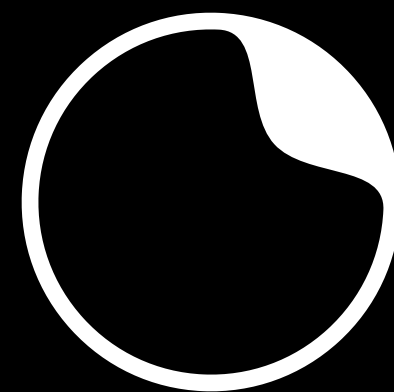
Cash Flow

- Free cash out flows* of \$21.57m (FY22 \$22.2m)
- Q4 free cash flows of \$1.33m evidence restructuring programs undertaken in FY23
- On track for positive free cash flow during FY24 (most likely second half)

*cash flows from operating and investing activities

For the year ended 30 June 2023

	Consolidated	
	2023	2022
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	56,327	78,546
Payment to suppliers and employees	(72,222)	(90,185)
Interest received	97	173
Interest expense	(225)	(284)
Other finance costs paid	-	(2)
Income tax refunded/(paid)	-	80
Net cash used in operating activities	(16,023)	(11,672)
Cash flows from investing activities		
Payments for property plant and equipment	(228)	(577)
Payments for leasehold improvements	(2,803)	-
Proceeds from disposals of property, plant and equipment	31	-
Payments for intangibles	(5,704)	(8,649)
Loans to related parties	(342)	-
Transfers from/(to) interest bearing assets	699	(1,308)
Net cash used in investing activities	(8,092)	(10,534)
Cash flows from financing activities		
Proceeds from drawdowns of financing facilities	940	-
Proceeds from the exercise of options	14	9
Proceeds from lease incentive	2,803	-
Repayment of lease liabilities	(1,091)	(976)
Net cash from financing activities	2,411	(967)
Net decrease in cash and cash equivalents	(21,704)	(23,173)
Cash and cash equivalents at the beginning of the financial year	26,077	49,173
Effects of exchange rate changes on cash and cash equivalents	(53)	77
Cash and cash equivalents at the end of the financial year	4,320	26,077



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