



ASX Announcement

Issued 17 January 2024

Whispir Limited

(ASX : WSP)

Appendix 4C and Activities Update – Q2 FY24

Whispir achieves positive operating cash flow for the quarter

Whispir Limited (ASX:WSP, **Whispir** or **the Company**) provides its Appendix 4C cash flow and activity report for the quarter ending 31 December 2023 (**Q2 FY24, the Quarter**). The prior corresponding period (**PCP**) is Q2 FY23, and the prior quarter is Q1 FY24 (**PQ**).

Quarterly Highlights

- Positive operating cash flows of \$0.44 million, an improvement of \$0.92 million over the PQ
- Free cash flows¹ (“FCF”) of -\$0.69 million, an improvement of \$1.29 million over the PQ
- Cash on hand at 31 December of \$4.45 million (up from \$2.04 million for PQ)
- Capital raised (including option exercises and net of costs) during the Quarter of \$3.32 million
- No debt at 31 December as convertible notes all converted during the Quarter

Quarterly cashflow performance

Free cashflow

Free cash flows were -\$0.69 million for the Quarter, a 65% (\$1.29 million) improvement on the PQ. The Company continues its trajectory towards being cash flow positive and remains focused on generating free cash flow from 2H FY24 onwards as previously guided (excluding any abnormal transaction costs incurred relating to the takeover bid).

Cash receipts

Cash receipts for the Quarter were stable at \$13.43 million, a very slight 0.3% decrease on the PQ.

Cash payments

Cash payments for operating activities of \$13.00 million have reduced by 9.8% on the PQ (\$14.42 million), and now reflect the business in its steady state (absent the larger one-off items that typically occur in the first quarter of every year as outlined further below).

Cash payments related to message delivery (reported under “product manufacturing and operating costs”) are up by 14% (\$0.61 million) on PQ. The PQ included a \$0.65 million delayed payment to a messaging supplier, delayed in order to incorporate an associated credit note from recent pricing reductions. The Quarter reflects the normal state, with gross margins of 63% (cash basis).

Cash outflows for staff costs (including capitalised labour) reduced by 15.9% (\$1.13 million) to \$5.99 million on the PQ. Staff costs during the PQ included payments for annual incentives (\$0.8 million) and redundancies (\$0.4

¹ Cash flows from operating and investing activities, excluding transfers from/to restricted cash

million). Staff costs are expected to remain at this level (i.e. approximately \$6 million per quarter) for the remaining quarters of this financial year as previously stated. Staff costs includes payments to related parties of \$310k for directors' fees and CEO remuneration.

Cash outflows for administration costs reduced by 37.1% (\$0.76 million) to \$1.30 million on the PQ. (The PQ included certain annual payments to vendors which fall in the first quarter of every year, for example audit fees, ASX listing fees, insurance renewals and certain annual software licenses). Administration costs are therefore expected to be in the range of \$1.3 million - \$1.5 million for the remaining quarters of the year (excluding any one-off costs relating to the takeover bid).

Cash outflows for advertising and marketing reduced by 7.3% (\$0.09 million) to \$1.09 million on the PQ which had a higher proportion of sales through the reseller channel.

Cash reserves and financing

At the end of the Quarter the Company had \$4.45 million cash at bank, \$1.07 million of restricted cash, and no debt.

During the Quarter, the Company raised \$3.25 million (before costs) via a private placement at 25c per share (being a 9.1% discount to the closing price of \$0.275 per share on the last trading day being Friday, 20 October 2023) from new and existing institutional investors and members of the Company's Board and management ("Placement"). The Company will use the funds raised to strengthen the balance sheet and provide additional flexibility to meet general working capital requirements, and importantly, this new source of capital will ensure the Company can execute on its plans to reach free cash flow positivity across the second half of this financial year as previously guided.

During the Quarter, RiverFort converted its outstanding convertible notes plus interest (valued at \$1.04 million) into shares. Whilst this transaction was effectively non-cash (i.e. debt was swapped for equity), it has resulted in the Company being debt free. In conjunction with the conversion of its notes, RiverFort exercised its options, generating a further \$0.39 million of cash from the exercise proceeds.

Business news

ANZ

Whispir's platform is relied on by a number of government departments for secure, fast and seamless communications. During the Quarter a major Government Department transitioned from a desktop-based messenger service to Whispir's cloud-based solution for operational and crisis management use cases, reducing administration time and resulting in much more effective and efficient communications.

The benefits of digital communication were proven once again during several extreme weather events towards the end of 2023. A growing number of utility companies, government authorities and local councils are adopting the Whispir platform for customer and resident communications during emergencies. Whispir technology was used to send out early warnings to fight Cyclone Jasper in Queensland, and torrential rain in Victoria, serving as a reminder that timely communication can save lives.

During the Quarter Whispir made further progress in the ANZ health sector, working with a leading healthcare technology provider to implement a large e-prescription service, delivering nation-wide encrypted e-prescription tokens to patients around Australia. This partnership is expected to expand beyond prescription use cases to other communications including clinic patient updates and National Cancer Screening Register communications.

Asia

In Asia the Singapore major telco GTM (Go-To-Market) partnership expanded further, gaining more than 20 net new customers in Q2 including major government clients and an insurance company. The Q3 pipeline looks very

strong, with over \$1.5 million in revenue anticipated through the GTM the partnership. Direct sales channels are also contributing to growth in the region, with a recently added new logo to Whispir's extensive blue chip customer base - prominent US dental practice management software company Carestack who are now live on the Platform which is being used to automate customer engagement communication workflow.

Product Launches

In addition to the four product launches in the prior quarter, Whispir launched a further two products:

- Whispir Transact - Driving high-value conversion through digital messaging workflows; and
- Whispir Off-Platform Messaging - Enabling organisation-wide compliant messaging.

Whispir CEO Jeromy Wells said: "With these new services, Whispir customers will be able to deliver compelling end-to-end digital workflows that target conversion funnels, driving engagement and revenue. Innovation remains a key aspect of Whispir's competitive advantage and further launches will follow in the second half of the financial year."

Takeover

During the Quarter, the Company received an off-market takeover bid from Soprano Design Technology (Australia) Pty Ltd (**Soprano**) for all the ordinary shares in the Company at a price of \$0.48 cash per share (**Initial Bid**). Since the Initial Bid was made on 6th November 2023, Soprano has increased the offer price to \$0.55 cash per share (**Latest Offer**). On 8 January 2024, the Board of Whispir unanimously recommended shareholders accept the Latest Offer, in the absence of a superior proposal. Since then, there has been no superior proposal forthcoming. The deadline for accepting the Latest Offer is 7pm on 24th January 2024. As of 15th January 2024, Soprano has a relevant interest in 78.47% of the Company. All shareholder communications relating to the takeover can be found on the Company's website at <https://www.whispir.com/en-au/investor-center/asx-announcements/>.

-ENDS-

This announcement has been authorised for release by the Board.

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About Whispir

Whispir supplies a no code, Communications-as-a-Service ("CaaS") platform enabling seamless omnichannel interactions between organisations, their systems, and their people to solve common challenges in terms of compliance, deliverability, and engagement.

Whispir operates across three key regions of ANZ, Asia and North America and its platform is used across more than 60 countries. 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")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	13,431	26,902
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(5,000)	(9,386)
(c) advertising and marketing	(1,094)	(2,274)
(d) leased assets	-	-
(e) staff costs	(4,881)	(10,939)
(f) administration and corporate costs	(1,295)	(3,354)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	27
1.5 Interest and other costs of finance paid	(108)	(219)
1.6 Income taxes paid	(4)	(6)
1.7 Government grants and tax incentives	3	3
1.8 Other (GST payment to the ATO)	(615)	(1,237)
1.9 Net cash from / (used in) operating activities	443	(483)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(15)	(110)
(d) investments	-	-
(e) intellectual property	(1,113)	(2,180)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(f) other non-current assets	-	-
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)	-	-
2.6	Net cash from / (used in) investing activities	(1,128)	(2,289)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,138	3,138
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	398	399
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(215)	(215)
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)	(203)	(402)
3.10	Net cash from / (used in) financing activities	3,118	2,920

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,041	4,320
4.2	Net cash from / (used in) operating activities (item 1.9 above)	443	(483)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,128)	(2,289)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,118	2,920
4.5	Effect of movement in exchange rates on cash held	(26,709)	(21)
4.6	Cash and cash equivalents at end of period	4,447	4,447

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	2,947	2,041
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposits < 3 mth maturity)	1,500	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,447	2,041

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	310
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
The amount disclosed at item 6.1 is comprised of Directors' fees and the CEO's base remuneration for the current quarter. <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>		

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)	124	54
7.4	Total financing facilities	124	54
7.5	Unused financing facilities available at quarter end		-
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 two providers: - NAB AUD 50k, secured at 12.65%. - Silicon Valley Bank USD 25k (AUD 39k at closing rates), unsecured at 15.60%. - Amex AUD 35k, unsecured, zero interest rate with 3% late payment fee and \$1.2k annual membership fee.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	443
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,447
8.3	Unused finance facilities available at quarter end (item 7.5)*	-
8.4	Total available funding (item 8.2 + item 8.3)	4,447
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<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: N/A	
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: N/A	

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: N/A

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: 17 January 2024

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.