

whispir

01 March 2021

Capital Raising

– Investor presentation

A S X W S P



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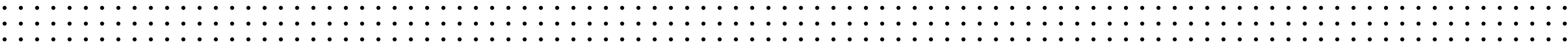
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Capital raising to accelerate global growth

Capital raising overview

- **\$45.3m institutional placement ('Placement') and up to \$3.0m share purchase plan (SPP)**
- Offer price of \$3.75 per share, representing a;
 - 8.8% discount to the 3 day Volume Weighted Average Price ("VWAP") of \$4.11 up to and including Monday, 1 March 2021; and
 - 3.6% discount to the last traded price of \$3.89 on Monday, 1 March 2021
- Pro forma 31 December 2020 cash balance of approximately \$54.0m following the Capital Raising, with no debt*

*After Offer costs and excludes and funds raised from the SPP

Accelerating product roadmap & customer growth

Use of Funds

- **30% Accelerate product roadmap**
 - Enhance platform functionality
 - Create higher-margin products
- **30% Drive new & existing customer growth in ANZ and Asia**
 - Increase utilisation by existing customers
 - Digital transformation and digitisation projects drive new and existing customer growth
- **30% North American market expansion**
 - Largest market opportunity
 - Targeted strategy to achieve growth (North America to account for ~25 – 30% of Group ARR by FY23)
- **10% Strengthen balance sheet and provide working capital flexibility**

Consistent Strong Performance

Long-term enterprise customers increasing utilisation, spending more over time

ARR growing at a CAGR of 30.5% since IPO. Organic growth from established customer base provides future revenue surety.

707 customers

+45% growth since 1H19

~3% Churn

Best in class revenue churn

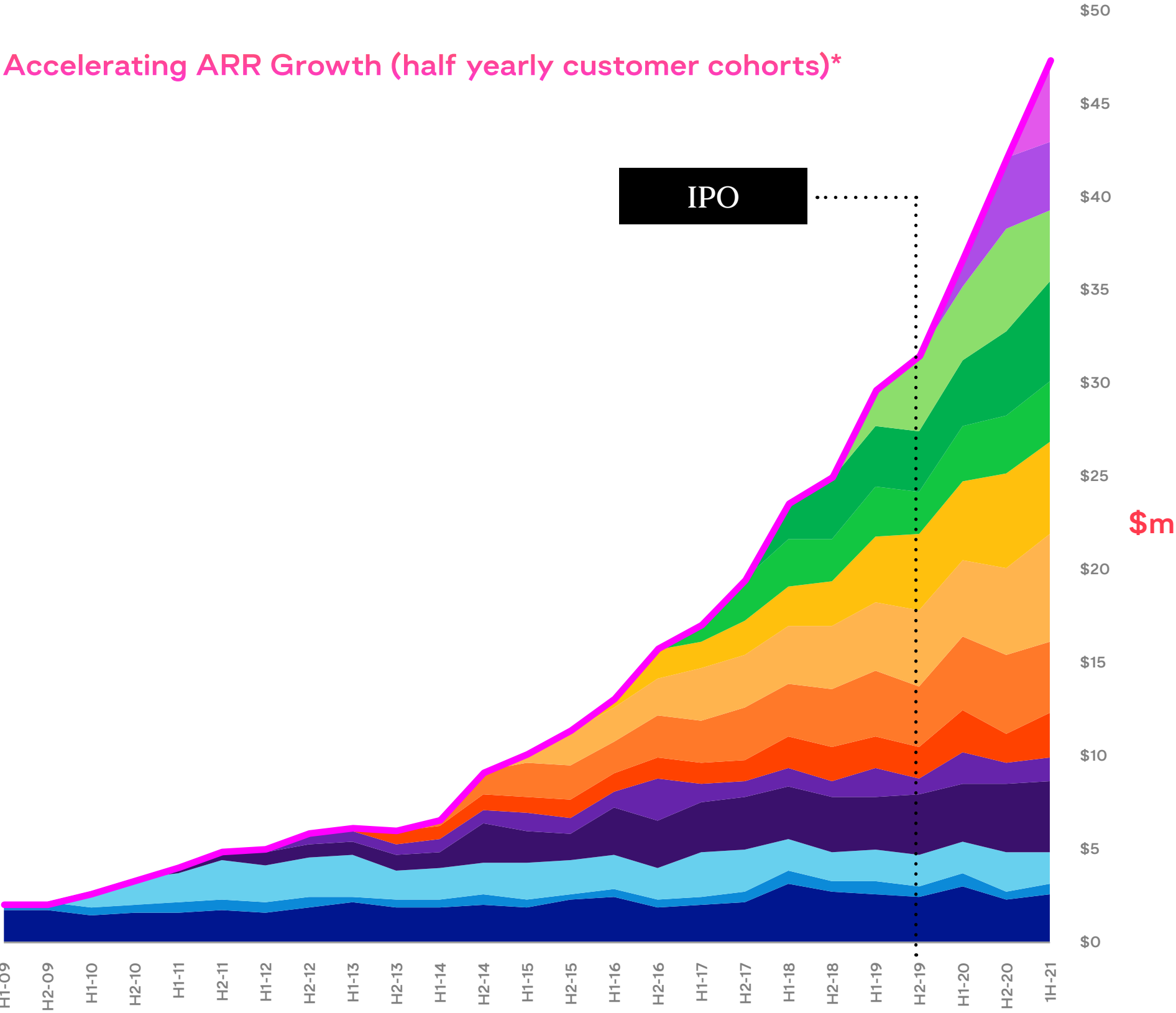
\$47.4m ARR

+58% growth since 1H19

\$13.9m on R&D

Since IPO

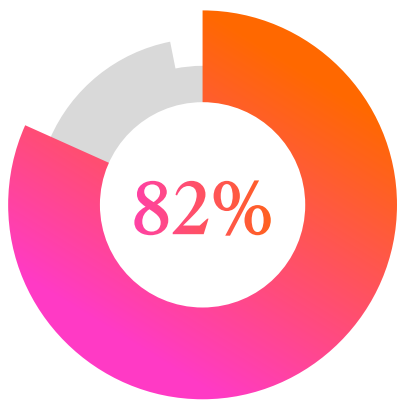
Accelerating ARR Growth (half yearly customer cohorts)*



*Excludes fluctuating transactional customers, also ARR is on a gross basis

Whispir today

% of 1H21 Revenue >



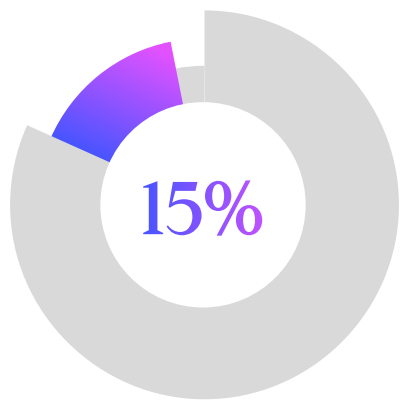
Australia New Zealand

Channel Partners >



Growth Strategy >

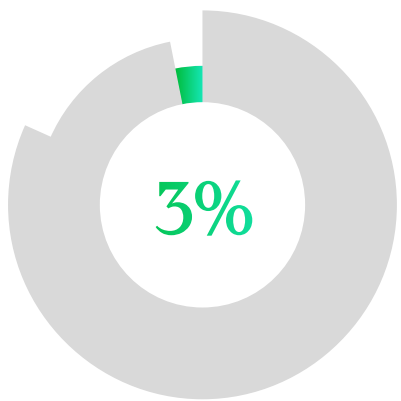
Increase platform usage
by existing customer
Enhance product offering



Asia



New and existing customer growth
through digitisation projects
Enhance product offering



North America



New customer growth, targeting the
underserved SMB and SME segments
Enhance product offering

FY21 guidance*

Upgraded and updated guidance as growth momentum builds

\$53.0m-\$55.3m

FY21 ARR

26-31% Growth on FY20

\$49.0m-\$51.0m

FY21 Revenue

25-30% Growth on FY20

\$(4.5m)-\$(3.0m)

FY21 EBITDA

38-59% improvement on FY20

\$9.2m-\$9.8m

R&D Cash Investment

8-15% Growth on FY20

*We are providing a range given the current global situation; which provides many opportunities for Whispir, but makes planning and forecasting with certainty – challenging

Digital transformation a global mega trend

Automation & digitisation trends providing
short and long-term growth opportunities

- Global technology investment rapidly increasing
- Digital experience accounts for majority of global information & communications tech investment
- Digital transformation projects fast-tracked by years
- Digital now main form of customer/stakeholder engagement
- Process automation increasing productivity
- Increased budgets for digital transformation

\$336bn



(USD) Digital transformation market size value in 2020

\$1,393bn



(USD) Digital transformation revenue forecast in 2027

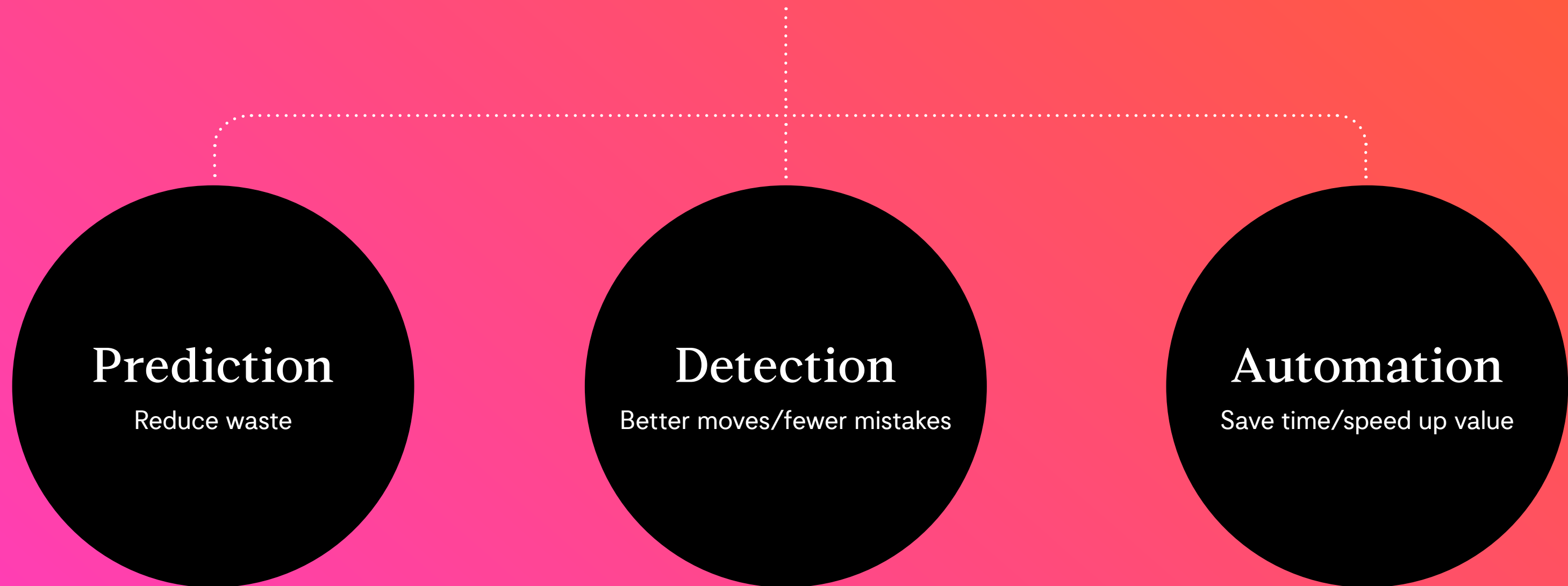
22.5%



Digital transformation market size CAGR from 2020 to 2027

*Refer to page 27 for source of data

Communications Intelligence

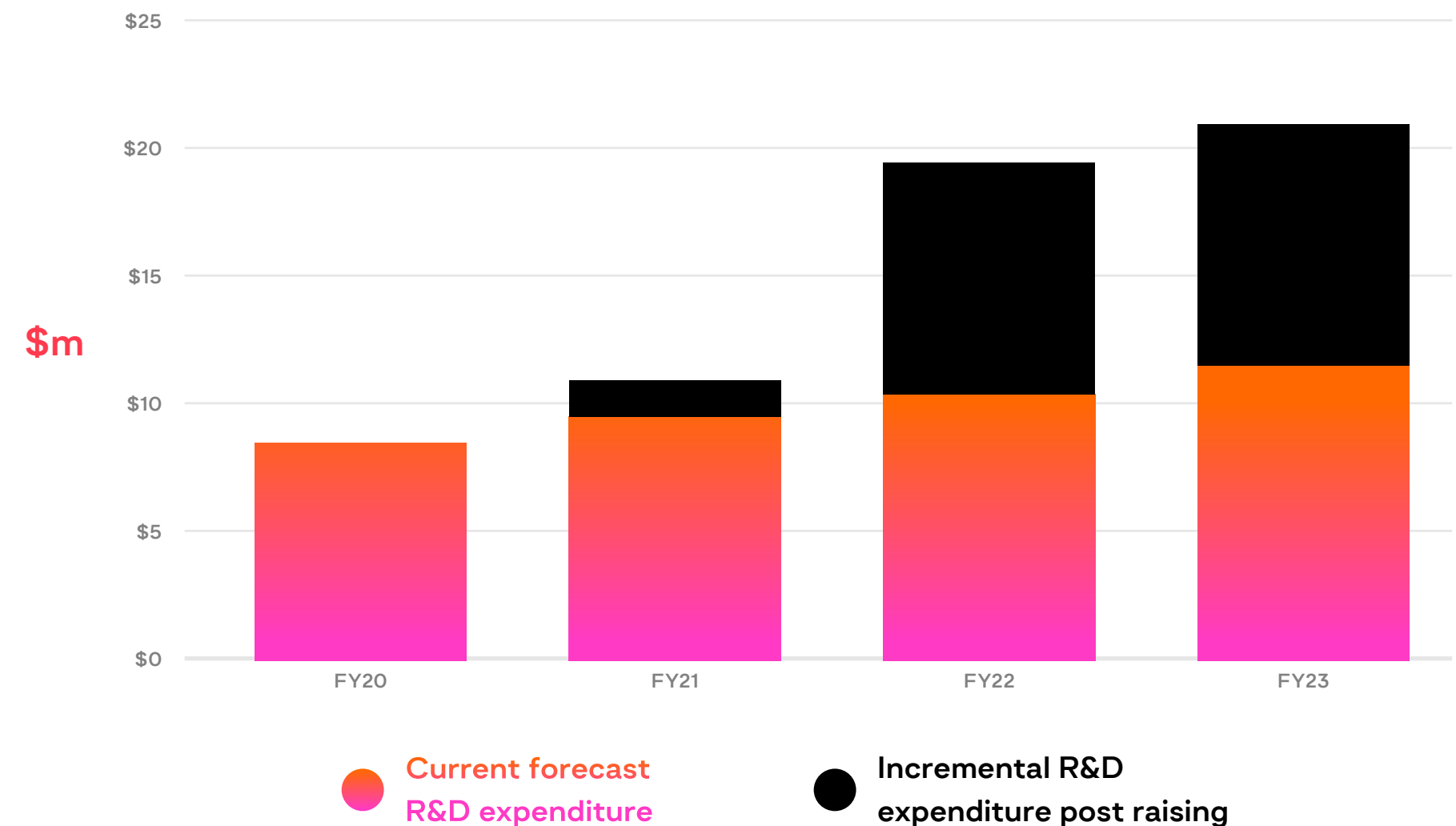


Investment to accelerate roadmap

Embedding prediction, detection and automation to increase engagement and message value

- Accelerate monetisation of machine learning prediction models.
- Incorporate diversity in language detection tools, to improve the effectiveness of message content in international markets including South East Asia and Latin America.
- Improve computer vision capabilities to detect message effectiveness, regardless of content type or audience.
- Speed up automation pathways for first-time users for faster paid activation of product trials.
- Accelerate contact enrichment programs to increase chargeable offerings.
- Monetise data store, giving customers flexibility to incorporate sophisticated datasets that increase the effectiveness of messages.

R&D Expenditure FY20 - FY23



ANZ business delivering 30% revenue growth

Long-term enterprise customers increasing platform activity and record new customer growth

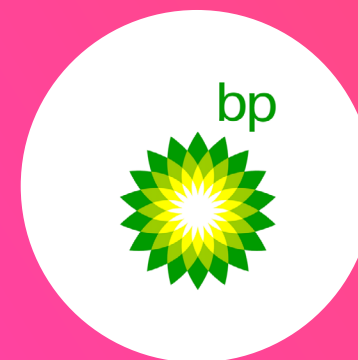
Revenues

- \$18.9m in 1H FY21
 - Up 30% on same period last year

Growth Opportunity

- Increased utilisation by existing customers through product enhancements and cross-sell
- Digital direct offering enabling expansion beyond enterprise segment
- Continued investment in optimising channel partnerships
- Digital transformation driving new customer growth

Customers in this region include:



Expanding Asia operations

Solid growth from existing customers and significant opportunity to increase market presence

Revenues

- \$3.5m in 1H FY21
 - 24% growth over prior corresponding period

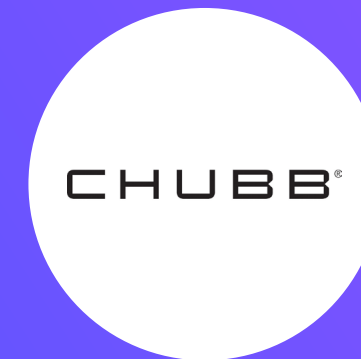
Growth opportunity

- Prioritising growth from existing customer base, including Singapore University and Changi Airport
- New customers throughout Philippines, Singapore, Indonesia, Sri Lanka and Thailand
- Digitisation projects delivering new customer growth

Partnership initiatives

- New partner initiatives with StarHub, Vonage and Indosat

Customers in this region include:



Fast-tracking North American growth

Capitalisation on significant growth opportunity and progress made to date

North American success to date

- Early success with new go-to-market strategy targeting SME and SMB customers – 7 new customers
- Building brand awareness and creating momentum
- Channel partnerships with Vonage, AWS, Carahsoft and 8X8
- New leadership and investment in personnel
- Opportunity to accelerate North American customer and revenue growth with the right leadership, strategy and team

Targeted growth

- North America to account for 25 - 30% of revenues by end of FY23

Customers in this region include:



North America: a highly targeted approach

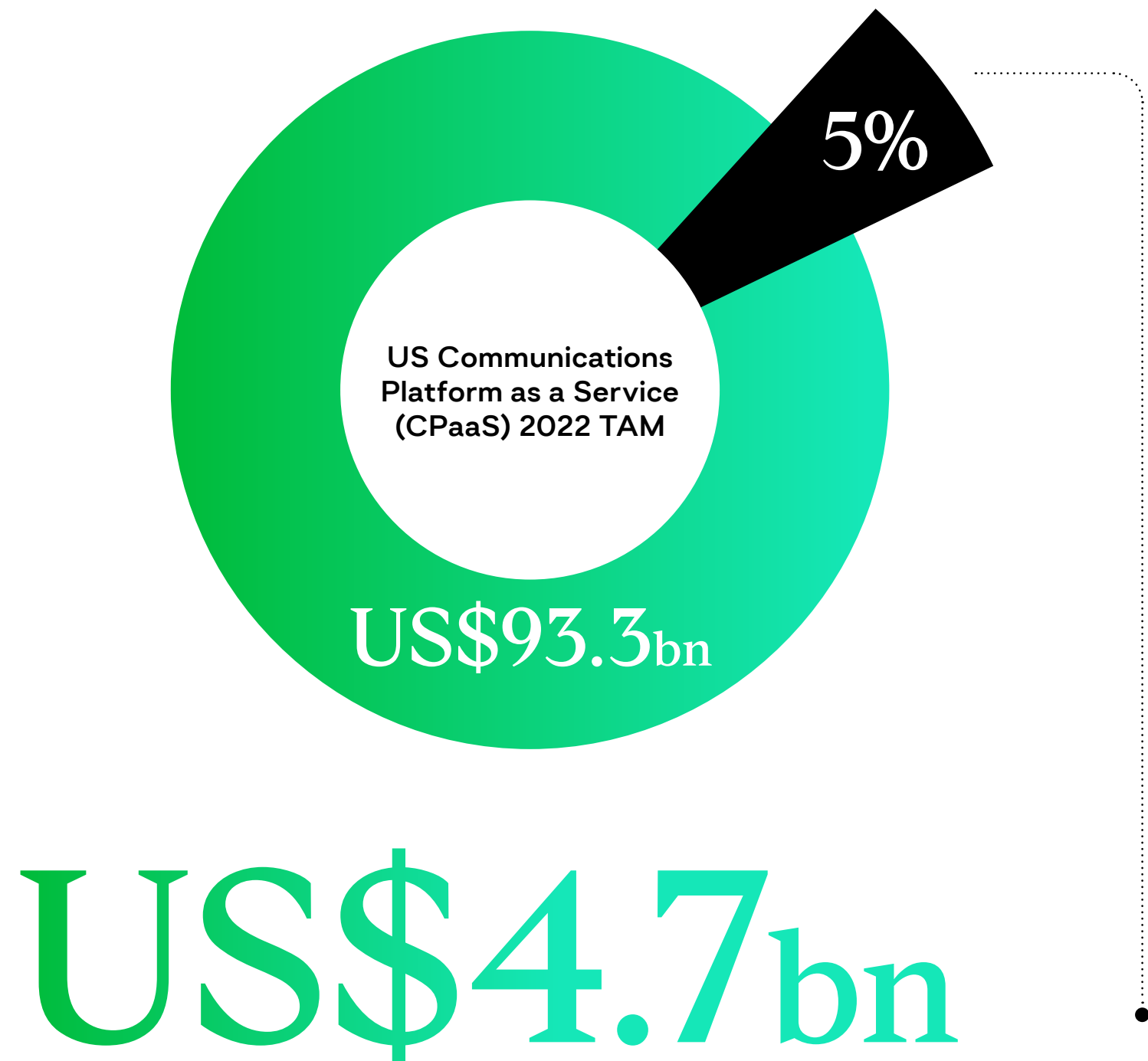
Targeting five key industries with proven use cases



Whispir's US\$4.7bn North American TAM

Leveraging ANZ blue-chip customer references across operational coordination, customer engagement & crisis communications

- Five key industries collectively account for just 5% of US CPaaS TAM of US\$98bn
- US\$4.74bn opportunity in Whispir's North American target markets
- Targeting four key personas where we have proven expertise within ANZ and Asia
- Underserved SME and SMB organisations
- US\$10m - US\$1bn in revenue
- Ideal product market fit
- Aligns with No Code/Low Code capability



Whispir's targeted North American TAM by 2022*

*Forrester, 'Market Insight Study for Whispir', February 2021

Details of the Offer



Terms of the Offer

Offer structure and size	<ul style="list-style-type: none"> • Institutional Placement to sophisticated and professional investors to raise approximately \$45.3 million (the “Placement”) • Issue of approximately 12 million New Shares (equivalent to approximately 11.6% of total Whispir’s current shares outstanding) • The Placement is within Whispir’s placement capacity under ASX Listing Rule 7.1
Offer Price	<ul style="list-style-type: none"> • The Placement will be conducted at \$3.75 per New Share (“Offer Price”), representing an: <ul style="list-style-type: none"> • Approximately 8.8% discount to the 3 day Volume Weighted Average Price (“VWAP”) of \$4.11 up to and including Monday, 1 March 2021 • Approximately 3.6% discount to the last traded price of \$3.89 on Monday, 1 March 2021
Use of proceeds	<ul style="list-style-type: none"> • Funds to be applied towards: <ul style="list-style-type: none"> • 30% Accelerating the product roadmap; • 30% Drive new & existing customer growth in ANZ and Asia • 30% Pursue the North American market expansion opportunity; and • 10% Strengthen balance sheet and provide working capital flexibility
Institutional investors	<ul style="list-style-type: none"> • The Placement will be conducted by way of a bookbuild process on Monday, 1 March 2021 to eligible sophisticated and professional investors
Share Purchase Plan	<ul style="list-style-type: none"> • Whispir will offer eligible Australian and New Zealand shareholders the opportunity to acquire up to \$30,000 of New Shares via a share purchase plan (“SPP”) • The issue price for New Shares issued under the SPP will be the same as the Offer price under the Institutional Placement • The SPP will be targeted to raise up to \$3.0 million and is not underwritten • An SPP booklet including further details of the SPP offer will be sent to eligible shareholders in due course
Ranking	<ul style="list-style-type: none"> • New Shares issued under the Placement and SPP will rank equally with all existing Whispir shares from their date of issue
Joint Lead Managers	<ul style="list-style-type: none"> • Shaw & Partners and Wilsons Corporate Finance are acting as Joint Lead Managers of the Offer

Offer Timetable

Event	Date
Bookbuild	Monday, 1 March
Announce outcome of Placement (Pre-open)	Tuesday, 2 March
Placement settlement via DvP	Monday, 8 March
Allotment of Placement shares	Tuesday, 9 March
SPP offer opens, SPP booklet mailed to shareholders	Tuesday, 9 March
SPP offer closes	Friday, 19 March
Allotment of new shares issued under the SPP	Friday, 26 March



Pro Forma Balance Sheet

The capital raise ensures Whispir is well-funded to execute its growth strategy with a strong net cash position

A\$('m)

31 December 2020

31-Dec

Impact of the Offer

Pro Forma

Assets

Current assets

Cash and cash equivalents	10.9	43.1*	54.0
Trade and other receivables	5.9		5.9
Prepayments and other current assets	3.9		3.9
Total current assets	20.7		63.5
Non-current assets	13.3		13.3
Total assets	34.0		76.8

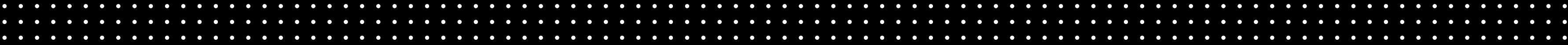
Liabilities

Current liabilities

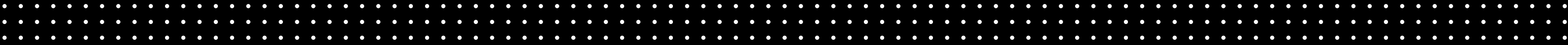
Total current liabilities	(13.1)		(13.1)
Total non-current liabilities	(3.6)		(3.6)
Total liabilities	(16.7)		(16.7)
Net (liability)/assets	17.3		60.1

*Impact of Offer following transaction costs of approximately \$2.2m and excludes any funds raised from the SPP

Questions



Appendix



Risks

1. Introduction

Whispir is subject to risks of a general nature and risks that are specific to our business activities. Any single risk or combination of these risk factors may have a material adverse effect on our business, financial performance and operations. This section describes what we consider to be some of the potential risks associated with our business, an investment in Whispir and the general risks associated with an investment in New Shares.

The risks listed in this section should not be considered to be an exhaustive list of every possible risk associated with an investment in Whispir or the industries in which it operates. The types of risks we are exposed to can change over time and vary with changes in economic, technological, environmental and regulatory conditions. The occurrence or consequences of some of these risks are partially or completely outside of our control.

In particular, potential investors should be aware that there is no certainty that we will achieve our stated objectives or that any forward-looking statements will eventuate. Any investment in Whispir should only be considered in light of these risks, as the occurrence of any or a combination of the risks set out in this section may have a material adverse impact on our business, financial performance and operations.

1.1 Intellectual property, technology and privacy risks

(a) Processing of personal information on behalf of customers

The Whispir platform allows customers to upload contact lists that may contain personal information such as the names and contact details of individuals. The Whispir platform processes this personal information for the purpose of delivering the workflow communications requested by the customer.

We encrypt all customer data (including any personal information contained in that customer data) both at rest and in transit (until the data leaves our environment and enters the public infrastructure environment).

Our storage of customer data containing personal information increases our exposure to regulatory requirements (and scrutiny) under applicable privacy, data protection and direct marketing laws. These requirements may include mandatory data breach notification requirements that can be triggered in the event of a data breach affecting the customer data.

We also rely on our customers to ensure that the customer data (including any personal information contained in it) can be lawfully processed by us for the purpose of delivering the workflow communications requested by the customer. If a customer uses the Whispir platform and services in a manner that breaches applicable privacy, data protection or direct marketing laws (for example, by sending workflow communications that do not comply with anti-spam laws), then it is possible that we may also become subject to regulatory scrutiny in connection with the incident.

(b) Loss or theft of data and failure of data security systems

Our products involve the storage of our customers’ confidential and proprietary information including information regarding their employees, clients and contacts. Our business could be materially impacted by security breaches of our customers’ data by unauthorised access, theft, destruction, loss or misappropriation.

There is a risk that any measures taken may not be sufficient to prevent or detect unauthorised access to, or disclosure of, such confidential or proprietary information. And any of these events may cause significant disruption to our business and operations and trigger mandatory data breach notification obligations under applicable privacy and data protection laws. This may also expose us to reputational damage, customer claims, regulatory scrutiny and fines, any of which could materially impact our operating and financial performance.

(c) Disruption or failure of technology and software systems

Whispir and our customers are dependent on the performance, reliability and availability of the Whispir platform, data centres and communications systems (including servers, the internet, hosting services and the cloud environment in which we provide our solutions). There is a risk that these systems may be adversely affected by disruption, failure, service outages, improper configuration, maintenance error, data corruption (as a result of computer viruses, “bugs” or “worms”, malware, internal or external misuse by websites, cyber attacks) or other disruptions including natural disasters and power outages.

In part, some of these disruptions may be caused by events outside of our control, and may lead to prolonged disruption to the Whispir platform, or operational or business delays and damage to our reputation. This could potentially lead to a loss of customers, legal claims by customers, and an inability to attract new customers, any of which could adversely impact our operating and financial performance.

(d) Reliance on third party service providers

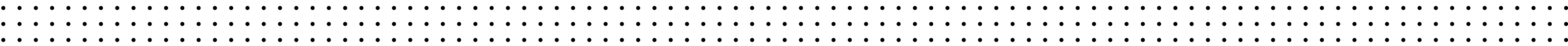
The Whispir platform is a cloud-based, SaaS platform, and we rely on a number of third-party technology service providers to facilitate the use of our platform and deliver services to our customers. In particular:

- The core Whispir application is hosted in data centres that are owned and operated by third parties including Amazon Web Services;
- We use third party service providers to manage system documentation and software layers;
- The Whispir platform uses third party SMS and voice suppliers to deliver the workflow communications for our customers; and
- We engage third parties to provide security monitoring and auditing of our IT infrastructure and network.

Our reliance on third parties means that some important aspects of our service delivery model are outside of our direct control. There is a risk that our service delivery capability and operational performance may be impacted by issues that originate from our third-party service providers, such as application errors, improper configuration, failure of communications service, improper configuration and traffic overloading.

There is also a risk that our critical technology supply arrangements may be disrupted by commercial factors that are outside of our control, such as a technology supplier’s decision to unilaterally modify or discontinue a particular service that we use. Some of our contracts with critical technology suppliers also allow the supplier to terminate on short notice, which may not allow sufficient time for us to procure a replacement provider in a timely manner and at an equivalent cost.

Any failure of, or disruption to, the technology services provided by these third-party service providers could negatively impact our operating and financial performance. It could also expose us to claims for loss and damage from our customers that may exceed the amounts that we are entitled to recover from the third-party service providers.



Risks

(e) Reliance on Whispir’s cloud-based communications platform and failure to adequately maintain and develop it

Our business model depends on our ability to ensure that our customers are satisfied with the functionality of our cloud-based software solutions. The market for cloud-based communications software solutions is subject to evolving industry standards, changing regulations and changing customer needs, requirements and preferences. Our success depends on our ability to adapt and respond effectively to these changes on a timely basis. There is a risk that we may fail to maintain our software platform adequately or that future updates may introduce errors and performance issues causing customer satisfaction to fall and potentially putting us in breach of our customer contracts. Customer satisfaction may also fall as a result of perceived reductions in product quality, reliability, cost-effectiveness and customer support. Any of these factors may result in reduced sales and usage of our solutions, claims brought by customer against us, termination of customer contracts, damage to our reputation and an inability to attract new customers.

(f) Protection of intellectual property

The value of our products is dependent on our ability to protect our intellectual property rights. There is a risk that we may be unable to detect the unauthorised use of intellectual property rights in all instances. Further, actions that we take to protect those intellectual property rights may not be adequate or enforceable and thus may not prevent the misappropriation of, or copying or circumvention of, our intellectual property and proprietary information.

A breach of our intellectual property may result in the need to commence legal action, such as infringement proceedings, which could be costly, time consuming and potentially difficult to enforce in certain jurisdictions. A failure or inability to protect our intellectual property rights could have an adverse impact on our operating and financial performance.

(g) Breach of third-party intellectual property rights

There is a risk that third parties may allege that our solutions use intellectual property derived by them or from their products without their consent or permission. These third parties could potentially include our former employees and contractors who have been involved in the development of the Whispir platform, or unrelated third parties who have developed products and services that are substantially similar to ours. We may be the subject of claims that could result in disputes or litigation and this could require us to incur significant expenses even if

we are able to successfully defend or settle such claims. If we are found to have infringed the third party’s intellectual property rights, this may result in us being required to pay monetary compensation to the third party or take other actions that may, cause disruption to our service delivery model and increase our costs. This in turn could have an adverse impact on our operations, reputation and financial performance.

(h) Failure to realise benefits from product research and development

Developing software and technology is expensive and often involves an extended period of time to achieve a return on investment. An important aspect of our business is to continue to invest in innovation and related product development opportunities. We must continue to dedicate resources to our innovation efforts to develop our product offering and maintain our competitive position.

Whispir may not however, receive benefits from these investments for several years or may not receive benefits from these investments at all. We make assumptions about the expected future benefits generated by investment in product research and development and the expected timeframe in which the benefits will be realised. These assumptions are subject to change and involve both known and unknown risks that are beyond our control and are thus subject to change. Any change to the assumptions may have an adverse impact on our ability to realise benefits from innovation and product development related costs.

(i) HIPAA compliance

Whispir is required to comply with the Health Insurance Portability and Accountability Act (HIPAA) in the United States where we retain, handle or share protected health information of individuals.

We are required to maintain:

- Physical safeguards, including limited access and control to the information;
- Technical safeguards, requiring access to allow authorised individuals to access the protected data;
- Audit reports and tracking logs of access activity;
- Technical policies covering the integrity of the controls and measures in place and disaster recovery plans; and

- Network security, to protect against unauthorised public access to the data.

A breach of the security of the data held or transmitted by Whispir could result in significant financial penalties, including loss of contracts and reputational damage impacting the ability to secure new contracts.

1.2 Customer-related risks

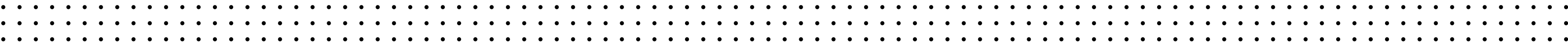
(a) Failure to retain existing customers and attract new customers

The success of our business relies on our ability to attract new customers and to retain and increase revenue from existing customers.

We primarily generate revenue through customers using the Whispir platform, for which they typically pay monthly subscription fees and a volume-based fee per transaction. The majority of our contracts with customers run for 12–36 months. Our customers have no obligation to renew their service offering when their contract term ends and we cannot guarantee that all or any of our customers will renew their current service offering after the completion of their contract term. We also cannot guarantee that we will successfully increase revenue from existing customers through the ability to cross-sell or up-sell new products to the same customers. Accordingly, there is a risk that customers reduce or cease usage of the Whispir platform, or do not increase their product usage. This would result in a reduction, or limited growth, in the level of payments they make to us including revenue characterised as recurring revenue.

The ability to retain existing customers and the capacity to attract new customers and keep these customers engaged in the product will be dependent on many factors including the capability, cost-effectiveness, pricing, customer support and value of our products compared to competing products. If customers do not continue to use the Whispir platform and do not increase their usage over time, and if new customers do not choose to use the Whispir platform, the growth in revenue may slow, or decline, which will have an adverse impact on our operating and financial performance.

If fewer customers are retained, we will generate less cash from customers and be required to fund the costs of servicing remaining customers from available cash resources (such liability is represented by the deferred revenue balance included in the statement of financial position).



Risks

(b) Channel Partner dependency

The majority of our revenue is currently generated from sales to our customers that originated from the Telstra network channel. Telstra provides referrals from its customer base to us. If Telstra changed its product strategy and decided to:

- Terminate the relationship with us and cease offering the multi-channel communications service through the Whispir platform;
- Develop the multi-channel communication capability in-house;
- Develop a distribution relationship with an alternative partner; and/or
- Acquire a competitor to Whispir and re-direct referrals through the acquired entity,

there is a risk that our sales velocity in Australia will decline which may have an adverse impact on our profitability.

1.3 Operational risks

(a) Failure to effectively manage growth

Whispir has experienced a period of considerable growth in revenue, employee numbers and customers. Based on our projections, our future growth could place additional pressure on current management, operational and finance resources and on the infrastructure supporting the Whispir platform.

Failure to appropriately manage this growth could result in failure to retain existing customers and attract new customers, which could adversely affect our operating and financial performance.

(b) Ability to attract and retain key personnel

A critical component of our success is the ongoing retention of key management personnel and key members of the product development team.

There is a risk we may not be able to attract and retain key personnel or be able to find effective replacements for those key personnel in a timely manner. The loss of such personnel, or any delay in their replacement, could have a significant negative impact on our ability to operate the business and achieve financial performance targets and strategic growth objectives.

1.4 Market based risks

(a) Whispir operates in a competitive industry

Whispir competes against other domestic and international cloud-based communications solution providers. The cloud-based communications industry is rapidly evolving, highly fragmented and becoming increasingly competitive. Some of our existing and potential competitors have significantly more resources than we do. We face the risk that:

- Existing competitors could increase their market share through aggressive marketing campaigns, product research and development, strategic alliances, price discounting or acquisitions;
- Our products may fail to meet customers’ expectations and we may be unable to implement necessary changes to these products to satisfy those customers’ expectations;
- We may fail to increase adoption and usage of our solutions;
- We may fail to meet customers’ demands for new products in a timely manner;
- We may fail to anticipate and respond to changing opportunities, technology, standards or customer requirements in the industry as quickly as our competitors;
- Our competitors may enhance their product offering to improve their competitive positioning relative to Whispir by increasing the number of products and communications channels they offer and expanding their focus to target the same customers that we currently target; and
- New market entrants into the cloud-based communications software market could develop software solutions that compete with our product offering.

If any of these risks arise, we may compete less effectively against competitors. This could reduce our market share and our ability to develop or secure new business, creating an adverse impact on our operating and financial performance.

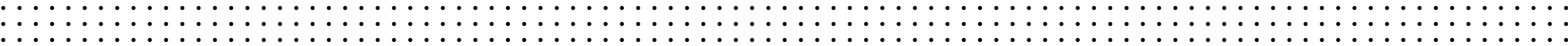
(b) Country/region specific risks in new and/or unfamiliar markets

Whispir has operations in overseas jurisdictions and is exposed to a range of different legal and regulatory regimes. As we expand into new international jurisdictions, we will be subject to the risks associated with doing business in the relevant regions. These regions may have political, legal and economic instability or less sophisticated legal and regulatory systems and frameworks, including (a) unexpected changes in, or inconsistent application of, applicable foreign laws and regulatory requirements; (b) less sophisticated technology standards; (c) difficulties engaging local resources; and (d) potential for political upheaval or civil unrest.

As we enter newer and less familiar regions, there is a risk that we may fail to understand the laws, regulations and business customs of these regions. There is a risk that we could face legal, tax or regulatory sanctions or reputational damage as a result of any failure to comply with (or comply with developing interpretations of) applicable laws, regulations, codes of conduct and standards of good practice. This gives rise to risks including, but not limited to, labour practices, foreign ownership restrictions, tax regulation, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regimes and other issues in overseas jurisdictions in which we may operate. A breach in any of these areas could result in fines or penalties, the payment of compensation or the cancellation or suspension of our ability to carry on certain activities or product offerings, could interrupt or adversely affect parts of our business and may have an adverse effect on our operating and financial performance.

(c) Foreign exchange risk

Whispir’s financial information is presented in Australian Dollars. Although only a small portion of current sales revenue is denominated in currencies other than the Australian Dollar, this portion may increase over time as we continue to grow and expand into overseas jurisdictions. Future changes in the exchange rates in the jurisdictions we operate in may adversely impact our operating and financial performance.



Risks

1.5 General risks

(a) Price of Shares

As Whispir is a publicly listed company on ASX, we are subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in our share price that are not explained by our fundamental operations and activities.

The price at which Shares are quoted on ASX may increase or decrease due to a number of factors.

Some of the factors which may adversely impact the price of Shares include, but are not limited to, the number of potential buyers or sellers of Shares on ASX at any given time; fluctuations in the domestic and international markets for listed securities; general economic conditions including interest rates, inflation rates, exchange rates and commodity prices; changes to government fiscal, monetary or regulatory policies and settings; changes in legislation or regulation; inclusion in or removal from market indices; recommendations by brokers or analysts; global hostilities, tensions and acts of terrorism; the nature of the markets in which Whispir operates; and general operational and business risks.

(b) General economic and financial market conditions

General economic conditions (both domestically and internationally) may adversely impact the price of Shares.

The general economic climate (both domestically and internationally) in which we operate may experience changes, which may adversely affect our operating and financial performance. Factors that may influence to the general economic climate include, but are not limited to:

- Changes in government policies, taxation and other laws;
- Future demand for cloud-based communications platforms;
- The strength of the equity and share markets in Australia and throughout the world;
- Changes in investor sentiment toward particular market sectors;
- Movement in, or outlook on, exchange rates, interest rates and inflation rates;
- Industrial disputes in Australia and overseas;

- Financial failure or default by an entity with which we may become involved in a contractual relationship; and
- Natural disasters, social upheaval, global pandemics or war.

(c) COVID-19

Whispir was well equipped to manage the change to remote working conditions due to COVID-19 physical distancing restrictions. Having established a technology infrastructure and strong team culture, the transition to working from home has resulted in limited loss in productivity, while various initiatives have assisted in maintaining a sense of community and belonging within all teams.

The operations and sales teams continued to successfully service Whispir’s customers and grow the revenue base during this period. Whispir utilised its two decades of crisis communications experience to enable its customers to keep their stakeholders informed during rapidly changing conditions. This involved the development of 12 ready-to-use Whispir templates and 10 guiding principles. Customer numbers and revenue increased in the second half of FY20 during the pandemic.

Whispir continues to monitor the global economic impact of COVID-19 across the geographical business segments and its customer base. While some customers have been adversely impacted by COVID-19, and their transaction volumes have reduced, they remain as customers and we continue to recognise the underlying platform fee revenue.

(d) No guarantee of future dividends and the franking credits / conduit foreign income attaching to those dividends

There is no guarantee that dividends will be paid in the future as this is a matter to be determined by the Board in its discretion. The Board’s decision will have regard to, among other things, our financial performance and position, relative to our capital expenditure and other liabilities.

Moreover, to the extent we pay any dividends, we may not have sufficient franking credits in the future to frank dividends or sufficient conduit foreign income in the future to declare an unfranked dividend (or the unfranked portion of a partially franked dividend) to be conduit foreign income. For completeness, the franking system and/or the conduit foreign income system may be subject to review or reform, which may impact the tax profile of future dividends.

The extent to which a dividend can be franked will depend on our franking account balance and level of distributable profits. Our franking account balance is contingent upon it making Australian taxable profits and will depend on the amount of Australian income tax paid by us on those Australian taxable profits. The value and availability of franking credits to a Shareholder will be dependent on the Shareholder’s particular tax circumstances.

(e) Risk of Shareholder dilution

In the future, we may elect to issue Shares to engage in fundraisings and also to fund, or raise proceeds for, any acquisitions Whispir may decide to make. While we will be subject to the constraints of the Listing Rules regarding the percentage of our capital we will be able to issue within a 12-month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues of Shares and fundraisings.

(f) Legal and regulatory changes

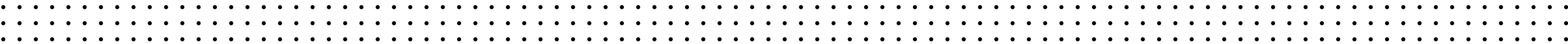
Laws and regulations may be adopted with respect to our products in relation to issues such as user privacy, intellectual property, information security and the content and quality of products and services, which could limit our proposed scope of activity.

(g) Litigation risk

In the ordinary course of business, we may be involved in litigation disputes from time to time. Litigation disputes brought by third parties; including but not limited to customers, suppliers, business partners and employees may adversely impact the financial performance and industry standing of Whispir where the impact of litigation is greater than or outside the scope of our insurance.

2. Offer Jurisdictions

This Presentation does not constitute an offer of securities or New Shares in any jurisdiction in which it would be unlawful. In particular, this Presentation may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.



Offer Jurisdictions

No Offer made in the United States

This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the *US Securities Act* of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

New Zealand

This Presentation has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (the **FMC Act**). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Hong Kong

WARNING: This Presentation has not been, and will not be, registered as a prospectus under the *Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)* of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the *Securities and Futures Ordinance (Cap. 571)* of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this Presentation or to permit the distribution of this Presentation or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Presentation have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Presentation, you should obtain independent professional advice.

Singapore

This Presentation and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Presentation and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the *Securities and Futures Act, Chapter 289* of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Presentation has been given to you on the basis that you are (i) an “institutional investor” (as defined in the SFA) or (ii) an “accredited investor” (as defined in the SFA). If you are not an investor falling within one of these categories, please return this Presentation immediately. You may not forward or circulate this Presentation to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

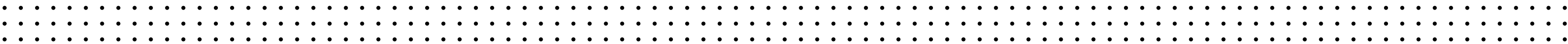
United Kingdom

Neither this Presentation nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the *Financial Services and Markets Act 2000*, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this Presentation or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Presentation is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU). This Presentation may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Whispir.

In the United Kingdom, this Presentation is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the *Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO)*, (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investment to which this Presentation relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Presentation.



Financial Performance

Revenue growth & optimal cost management deliver first cashflow positive quarter

- Software revenue up 28.3% YOY
- Increased R&D investment to deliver product roadmap
- EBITDA of \$(1.8m), significantly ahead of expectations

	1H FY21 (\$m's)	1H FY20 (\$m's)	YOY Change* (%)
Software revenue	22.3	17.4	28.3%
Professional services revenue	0.8	0.8	4.5%
Revenue	23.1	18.2	27.3%
Gross Margin	14.0	11.3	24.5%
Gross Margin %	60.7%	62.0%	(2.1)%
Sales and marketing	(8.0)	(7.0)	15.1%
Research and development	(2.2)	(2.1)	3.9%
General and administration	(5.6)	(7.0)	(18.6)%
Total operating expenses	(15.8)	(16.1)	(1.1)%
EBITDA	(1.8)	(4.8)	(61.6)%
EBITDA (ex non-cash, share-based payments)	(0.9)	(3.9)	(75.8)%

*YOY percentage movement based upon values denominated in \$'000's

Glossary

Profit or loss

- **Software revenue:** revenue generated from collecting contracted monthly licence and transaction fees from customers based on a contracted fee per user and cost per transaction;
- **Professional services revenue:** professional fees in respect of implementation, configuration, training and integration fees;
- **Cost of service:** the costs relating to the delivery of the software including the costs of running the data centre, wages and salaries of data centre based Whispir staff and the carrier cost in delivering transactions;
- **Gross profit:** total revenue less cost of services;
- **EBITDA:** earnings (or losses) before interest, income tax, depreciation and amortisation. Amortisation of contract acquisition costs are included within EBITDA. Management uses EBITDA to evaluate the operating performance of the business. EBITDA can be useful to help understand the cash generation potential of the business. EBITDA should not be considered as an alternative to measures of cash flow under IFRS and investors should not consider EBITDA in isolation from, or as a substitute for, an analysis of the results of Whispir's operations; and
- **EBIT:** earnings (or losses) before interest and income tax.

Definitions

- **TAM:** Total Addressable Market;
- **SME:** Small to Medium Enterprise;
- **SMB:** Small to Medium Business.

Source

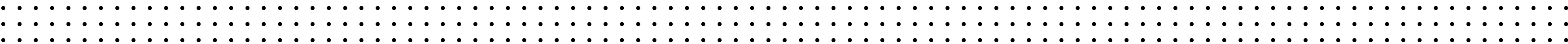
www.grandviewresearch.com/industry-analysis/digital-transformation-market

Cash flow

- **Capitalised development:** proportion of the wages and salaries of employees whose activities relate to the development of software;
- **Capital expenditure:** investment in property, plant and equipment including leasehold improvements and IT equipment;
- **Working capital:** trade and other receivables, contract acquisition costs, other current assets, less trade and other payables and income received in advance;
- **Operating cash flow:** EBITDA after the removal of non-cash items in EBITDA (such as share-based payments, amortisation of contract acquisition costs and net foreign exchange difference) less net interest paid and changes in working capital; and
- **Free cash flow:** operating cash flow less capital expenditure and IPO offer costs.

Financial metrics

- **Gross margin:** gross profit divided by revenue expressed as a percentage;
- **EBITDA margin:** EBITDA expressed as a percentage of total revenue;
- **EBIT margin:** EBIT expressed as a percentage of total revenue;
- **Contract acquisition cost:** commission and other direct costs incurred in winning new customers;
- **Customer acquisition cost (CAC):** expenses directly incurred in winning new customers, which includes the contract acquisition costs, divided by the total number of new customers won in the period;
- **Customer revenue retention %:** revenue earned from customers in a year/half year divided by the revenue from the same customer cohort in the corresponding prior year/half year;
- **Customer churn %:** number of customers lost in the last twelve months (LTM) divided by number of opening customers in the period;
- **Revenue churn %:** Opening MRR of customers churned in LTM compared to opening MRR of customer cohort;
- **Lifetime value of customer (LTV):** ARR per customer multiplied by the gross margin for the period, divided by the customer churn in the period. The LTV of the customer cohort represents the LTV multiplied by the number of customers at the period end;
- **Annualised recurring revenue (ARR):** recurring revenue from the final month in a period (licence and transaction revenue) multiplied by 12 months; and
- **Research and development % spend of revenue:** The total of the research and development expenditure recorded in the statement of profit or loss (excluding amortisation) and the capitalised spend in the period divided by revenue.



Connect Engage Thrive

