

1. Company Details

Name of entity:	Whispir Limited
ABN:	89 097 654 656
Reporting period:	For the year ended 30 June 2022
Previous period:	For the year ended 30 June 2021

2. Results for announcement to the market

	Up/Down	% Change		\$'000
Revenues from ordinary activities	Up	48%	to	70,623
Loss from ordinary activities after tax attributable to the owners of Whispir limited	Up	101%	to	19,436
Loss for the year attributable to the owners of Whispir Limited	Up	101%	to	19,436

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to \$19,436 thousand (30 June 2021: loss of \$9,654 thousand). Refer to 'operating and financial review' within the Directors' report for detailed commentary.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>18.68</u>	<u>36.70</u>

Net tangible assets do not include right-of-use assets in the measurement.

4. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

5. Attachments

Details of attachments (if any):

The audited financial statements of Whispir Limited for the year ended 30 June 2022 is attached.

6. Signed

As authorised by the Board of Directors



Brendan Fleiter

Chairman and Non-Executive Director

Melbourne

17 August 2022



Whispir Limited
ABN 89 097 654 656

Directors' Report and Audited Financial Statements for the year ended 30 June 2022

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Directors' Report

The Director's present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or 'Whispir') consisting of Whispir Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022. The prior corresponding period ("PCP") is the year ended 30 June 2021.

Directors

The following persons were Directors of Whispir Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Brendan Fleiter	Chairman
Jeromy Wells	Chief Executive Officer
Sarah Morgan	
Sara La Mela	
Aled Miles	
Scott Tong	Appointed 1 December 2021

Principal activities

Whispir is a global communications intelligence company that supplies a no code, Communications-as-a Service ("CaaS") platform that provides "always-on" collaboration for businesses, and seamless omnichannel interactions between organisations, their systems and people.

Review of operations

Operating and financial review

The Group's operating results for the year comprised of the following:

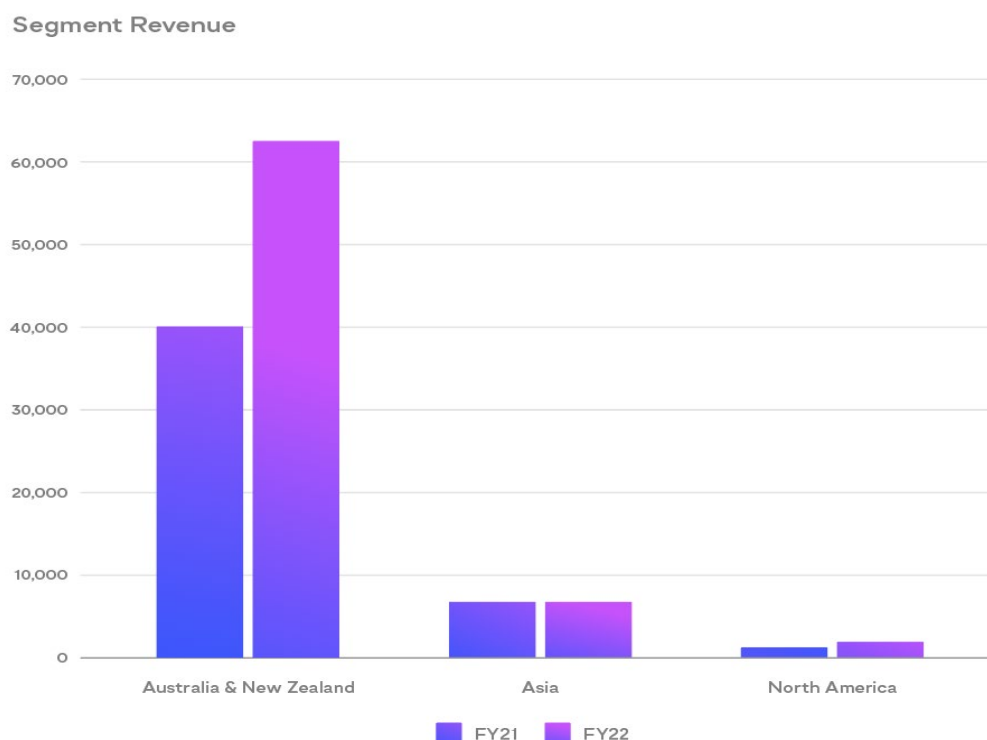
Consolidated	2022 \$'000	2021 \$'000	Change \$'000	Change %
Total revenue	70,623	47,731	22,892	48%
Cost of services	(29,331)	(19,173)	(10,158)	53%
Gross profit	41,292	28,558	12,734	45%
Gross margin %	58.5%	59.8%	na	-2%
Operating expenses	(60,724)	(37,828)	(22,896)	61%
Net interest and income tax expense	(4)	(384)	380	-99%
Net loss after tax	(19,436)	(9,654)	(9,782)	101%
Add back: depreciation and amortisation ¹	6,822	3,977	2,845	72%
Add back: net interest and tax	4	385	(381)	-99%
Add back: share-based payments	2,031	1,523	508	33%
EBITDA (excluding non-cash share-based payments)	(10,579)	(3,769)	(6,810)	181%

1. Refer note 6 to the financial statements.

Revenue

Total revenue increased by \$22,892k (48%) to \$70,623k for the year, compared to the PCP. This revenue growth for the year was underpinned by the ANZ region, which saw revenue increasing by \$22,337k (56%) to \$62,032k as result of Whispir partnering with major healthcare providers to deliver personalised communications during Australia's pandemic response.

The Group operates in three reporting segments – ANZ, Asia and North America. Each segment's revenue is depicted in the chart below:



In addition to the strong growth reporting for ANZ region as noted above, the Group also delivered growth in North America where revenue increased by \$507k (38%) to \$1,829k following efforts to targeting high-value small-medium sized enterprise and business (SME and SMB) customers as part of Whispir's digital first marketing strategy. Revenues in Asia were relatively flat (0.7% growth) at \$6,762k from \$6,714k PCP, however significant strategic initiatives were achieved in the region including a material contract with Singtel. Refer to note 5 to the financial statements for further information regarding revenue by operating segments.

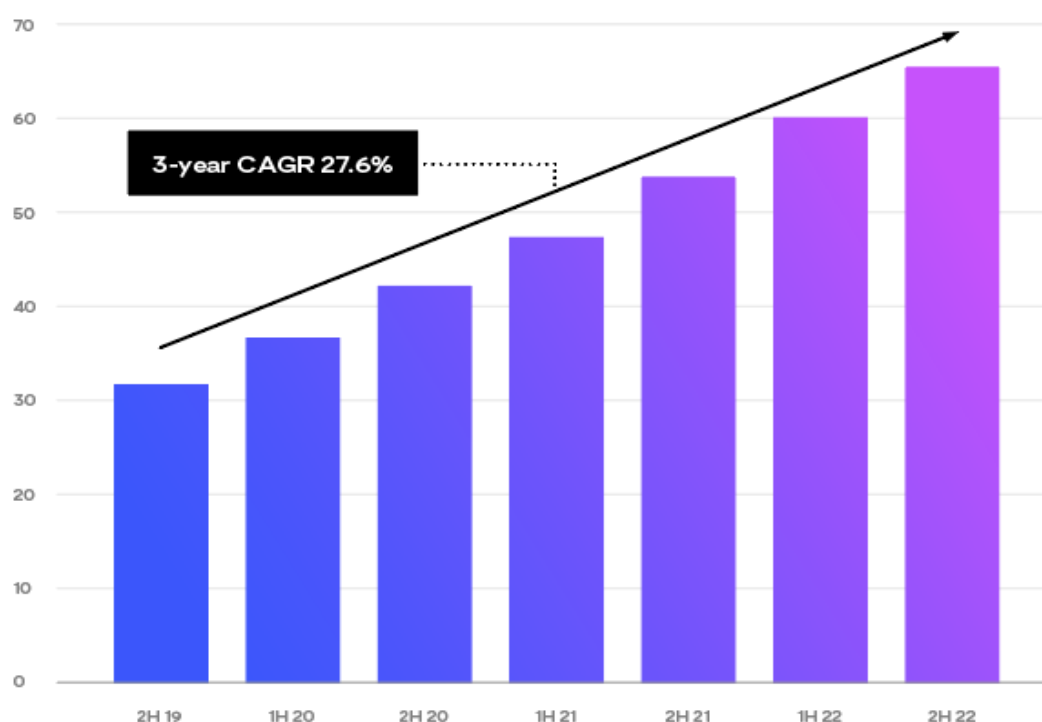
Annualised Recurring Revenue ("ARR")

Annual Recurring Revenue¹, whilst a non-IFRS measure, is provided as it can be a useful measure of the Group's financial performance and an indicator of expected revenue going forward.

The Group reported ARR of \$65.4 million at 30 June 2022, reflecting solid growth of \$11.8 million (22%) compared to PCP. ARR has demonstrated strong growth consistently over time, with a 3-year compound annual growth rate ("CAGR") of 27.6%, as demonstrated in the chart below. The ARR growth reflects both the underlying increase in Whispir's customer base, and an increase in utilisation of the Whispir platform by existing customers.

1. ARR is calculated as software license and transaction revenue recognised during the last month of the period (i.e. month of June 2022) adjusted for the number of messaging days in the month, then annualised (multiplied by 12). The annualised number is then further adjusted up or down, where applicable, for seasonality and any one-off revenue that is not expected to recur.

ARR A\$M

**Gross profit and gross margin %**

Gross profit increased by \$12,734k (45%) to \$41,292k. This growth has largely been underpinned by the revenue growth of 48% during the year. Gross margins have softened slightly, from 59.8% to 58.5% due to the current year product mix, which saw transactional revenue comprising a higher proportion of total revenue than the PCP. This product mix change was due to the usage by health agencies in Australia's pandemic response.

Operating expenses

Operating expenses increased by 22,896k (61%) to \$60,724k, a reflection of the growth strategy Whispir implemented during the first half of the financial year, following its capital raise in February 2021. This growth strategy was curtailed during the second half year in response to a desire to reach profitability and free cash flow positive in the near term. The effects of this drive to profitability will likely be evident in the financial year ended 30 June 2023 (FY23).

Sales and marketing expenses increased by \$8,472k (49.4%) to \$25,623k. This increase reflects the roll-out of the Group's marketing strategy, which includes a new Whispir website and enhancing Whispir's digital marketing footprint. The majority of this increase is labour costs, reflecting an increase in head count, and rising sales commissions in line with revenue growth.

Research and development (R&D) expenses increased by \$4,403k (58.2%) to \$11,967k. In addition to this spend, the Group capitalised (net of amortisation and depreciation) \$4,310k, taking the Group's total investment in R&D to \$16,277k (23% of revenue) compared to \$10,025k (21% of revenue) for the PCP. Product innovation remains a key objective of the Group to ensure its customers are provided with leading edge technology that is competitively priced. The Group retains its commitment to its five-year product roadmap, which includes embedding prediction, detection, and automation capabilities to enhance communications intelligence and improve platform value.

General and Administration expenses increased by \$10,354k (80%) to \$23,277k. This increase reflects increased head count, external adviser costs and software in support of the growth mentioned previously.

Profitability

EBITDA (excluding share-based payments) losses increased by \$6,810k (181%) to \$10,579k reflecting the planned increased spending to facilitate the Group's growth strategy. The Director's consider EBITDA (excluding share-based payments) to be an appropriate measure of financial performance whilst the Company is in its growth stage. EBITDA is a widely-used metric for understanding a Company's operating performance, and can be useful when comparing earnings potential across similar businesses.

The loss for the Group after providing for income tax for the current period increased by \$9,782k (101%) to \$19,436k.

Financial position

Whispir continues to report a strong financial position with a cash balance of \$26,077k at 30 June 2022 (30 June 2021: \$49,173k) and no debt. The Group reported negative free cash flows (cash flows from operating and investing activities) for the period of \$22,206k, an increase of \$12,639k (132%) over the PCP, which is in line with expectations. Cash receipts were up 70% from \$46,201k to \$78,546. Offsetting the strengthened cash receipts was a corresponding increase in payments for operating and investing activities of \$44,984k (81%) to \$100,752k. This increase in cash outflows is mostly as a result of an increase in head count to execute the Group's marketing strategy and product road map. The Group's net current asset position is \$20,877k (30 June 2021: \$43,555k).

Business growth strategy and likely developments

The Group continues to be focused on growing in a manner that is financially responsible with a strategy that includes:

- increasing automation, enabling customers to extract value from the platform faster;
- evolving to a world-leading communications intelligence company, harnessing data-driven insights to improve engagement;
- expanding its footprint in ANZ, Asia and North America and growing the customer success capability through regional hubs;
- enhancing its proven channel sales capabilities and developing new partnerships with system integrators and value add resellers; and
- executing on financial plans to achieve EBITDA breakeven during the second half of FY23, and positive cash flow in the year following.

Material business risks

The Group is subject to risks of both a general nature and those specific to its business activities including, but not limited to:

- retaining existing customers and keeping them engaged in the product which will be dependent on a number of factors including technology capability, cost-effectiveness, pricing, customer support and the value of the Group's product compared to competing products;
- acquiring new customers and accelerating sales which will require the Group to maintain its strong channel relationships with its key partners and ensuring its product meets the partner's customer's needs;
- cyber security incidents involving the theft or ransom of data and assets and attempts to misuse the platform to conduct spam and phishing campaigns;
- exposure to new geographic regions and the risks associated with doing business in these regions, including political and economic uncertainties as well as different levels of sophistication in the legal and regulatory frameworks; and
- protecting the Group's intellectual property, ensuring no infringement of third-party intellectual property rights, and in some cases relying on third party service providers to support delivery of product innovation.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Significant changes in the state of affairs

This financial year, the Group has had a sharper focus on reaching profitability, in response to market conditions. Pre-profitable technology stocks globally have lost value during the second half of the financial year. The key driver for this fall has been the expectation that central banks would need to lift interest rates to combat inflation. Software, being typically long duration, is negatively correlated with higher interest rates as future cashflows are discounted at higher rates. This has meant the Group has been focussed on achieving cost efficiencies and ensuring it is sufficiently funded to achieve its goal of generating positive EBITDA (excluding share-based payments) during FY23.

Matters subsequent to the end of the financial year

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state-of- affairs in future financial years.

Dividends

There were no dividends paid, recommended, or declared during the current or previous financial year.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in their reports have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Information on directors

Name:	Brendan Fleiter
Title:	Non-executive Chairman
Qualifications:	Brendan holds a Bachelor of Jurisprudence and a Bachelor of Laws from Monash University and is a member of the Australian Institute of Company Directors.
Experience and expertise:	Brendan has over 30 years of business experience, including more than 15 years of non-executive directorships on the boards of ASX listed, large private, government and not-for-profit enterprises. Brendan also currently chairs the boards of Kennards Hire and Interactive and serves as a Non-Executive Director of The Australian Food Allergy Foundation. Brendan's previous roles include Deputy Chair and Non-Executive Director of Australia Post, CEO and executive director of Crazy John's Group and Non-Executive Director and Chairman of Godfreys Group Limited (ASX:GFY).
Other current directorships:	None
Former directorships (last 3 years):	Godfreys Group Limited (ASX:GFY) from November 2014 to May 2018
Special responsibilities:	Chair of the Nominations and Remuneration Committee and member of Audit and Risk Management Committee.
Interest in shares:	367,100
Interest in rights:	Nil

Information on directors (continued)

Name:	Jeromy Wells
Title:	Chief Executive Officer ('CEO') and Executive Director
Qualifications:	Jeromy holds a Bachelor of Architecture (Hons) from RMIT University.
Experience and expertise:	Jeromy is the co-founder of Whispir with 19 years of experience in the business. Jeromy began his career as an architect in Melbourne, before turning to new technology innovation and pioneering the development of new cloud-based communications solutions. Jeromy has significant leadership, strategic planning and executive management expertise.
Other current directorships:	None
Former directorships (last 3 years):	None
Interest in shares:	12,385,314
Interest in options:	122,213
Interest in rights:	852,834

Name:	Sarah Morgan
Title:	Non-executive Director
Qualifications:	Sarah holds a Bachelor of Engineering (Hons) and a Master of Business Administration ('MBA') from the University of Melbourne, a Post Graduate Diploma in Contemporary Art from the University of Manchester and is a graduate and member of the Australian Institute of Company Directors.
Experience and expertise:	Sarah served as an Executive Director for corporate advisory firm Grant Samuel for 15 years, before taking up non-executive directorships at a variety of listed, private and not-for-profit organisations including Nitro Software, Intrepid Group, and Adslot, where she chairs the Audit and Risk Committees. Sarah is also a Non-executive Director of Skalata Ventures, a seed venture fund manager.
Other current directorships:	Adslot (ASX:ADS) from January 2015 Future Generation Global Investment Company (ASX:FGG) from July 2015 Nitro Software (ASX:NTO) from November 2019
Former directorships (last 3 years):	Hansen Technologies (ASX:HSN) from October 2014 to December 2019
Special responsibilities:	Chair of the Audit and Risk Management Committee and member of the Nominations and Remuneration Committee.
Interest in shares:	73,125
Interest in rights:	35,000

Information on directors (continued)

Name:	Sara La Mela
Title:	Non-executive Director
Qualifications:	Sara holds a Bachelor of Arts from the University of Pennsylvania, and an MBA from INSEAD and is a graduate of the Australian Institute of Company Directors.
Experience and expertise:	Sara has extensive experience as a technology executive in both Australia and North America (Silicon Valley). She is currently the Head of Operations for the Product Growth division at Canva. Prior to this, Sara held various sales and marketing roles at Google and Twitter, and served as Chief Operating Officer of Local Measure, a SaaS platform for customer communications management, for seven years.
Other current directorships:	Damstra Technology (ASX:DTC) from October 2020
Former directorships (last 3 years):	None
Special responsibilities:	Member of Audit and Risk Management Committee.
Interest in shares:	9,375
Interest in rights:	35,000

Name:	Aled Miles
Title:	Non-executive Director
Qualifications:	Aled holds a Bachelor of Arts from St. Mary's University, London.
Experience and expertise:	Aled is a North American executive with more than 30 years' experience in the global technology sector. He has served on the executive committee of Symantec with responsibility for the global Norton brand and the Latin America region. Previously, he was the CEO of TeleSign Corporation, a communications as a service company which he sold to Proximus for \$300m. He is currently the President & Chief Executive Officer of Sauce Labs, a global automated testing business for mobile and web applications. Aled is also an non-executive director of leading Australian security company Sapien Cyber and is the Welsh Government Envoy to the United States
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interest in shares:	Nil

Information on directors (continued)

Name:	Scott Tong
Title:	Non-executive Director
Appointed:	1 December 2021
Qualifications:	Bachelor of Fine Arts in Design from the University of Washington in Seattle
Experience and expertise:	Scott is a highly credentialed North American executive with more than 15 years' experience in the US technology sector stemming from the start-up central, Silicon Valley and the greater Seattle area. Scott was previously a co-founder of If This Then That (IFTTT), followed by half a decade at Pinterest, as Head of Product Design for the social network. Leading with the entrepreneurial outlook, he joined Whispir after three years of start-up and design advisory at Designer Fund and IMO Ventures.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interest in shares:	Nil

Other current directorships, and Former directorships (last 3 years), quoted above are directorships for publicly listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Sophie Karzis (B.Juris; LLB) was appointed as Company Secretary on 1 February 2019. Sophie is a practising lawyer with over 15 years' experience as a corporate and commercial lawyer, Company Secretary and General Counsel for a number of private and public companies. Sophie is the principal of Legal Counsel, a corporate law practice with a focus on equity capital markets, mergers and acquisitions, corporate governance for ASX-listed entities, as well as the more general aspects of corporate and commercial law. Sophie is a member of the Law Institute of Victoria as well as the Governance Institute of Australia.

Meetings of directors

	Full Board		Nominations & Remuneration Committee		Audit & Risk Committee	
	Held	Attended	Held	Attended	Held	Attended
Brendan Fleiter	7	7	4	4	4	4
Jeromy Wells	7	7	-	-	-	-
Sara La Mela	7	7	-	-	4	4
Aled Miles	7	6	-	-	-	-
Sarah Morgan	7	7	4	4	4	4
Scott Tong	4	4	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Ordinary share capital information

Shares under option

There were 724,044 unissued ordinary shares of Whispir Limited under option outstanding at the date of this report. These options have a weighted average exercise price of \$0.25.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

There were 822,055 ordinary shares of Whispir Limited issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report. The shares were issued at a weighted average exercise price of \$0.35.

Shares under performance rights

There were 2,749,018 unissued ordinary shares of Whispir Limited under performance rights outstanding at the date of this report. There is no exercise price payable on the vested performance rights.

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of performance rights

There were 70,000 ordinary shares of Whispir Limited issued on the exercise of performance rights during the year ended 30 June 2022 and up to the date of this report.

Indemnity and insurance of officers

The Group has during the financial year, in respect of each person who is or has been an officer of the Group or a related body Corporate, made a relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

Since the end of the financial year, the Group has paid premiums to insure all directors and officers of the Group, against costs incurred in defending any legal proceedings arising out of their conduct as a director or officer of the Group, other than for conduct involving a wilful breach of duty or a contravention of sections 232(5) or (6) of the Corporations Act 2001, as permitted by section 241A (3) of the Corporations Act 2001. Disclosure of the premium amount is prohibited by the insurance contract.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are provided in note 24 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 24 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of auditor

There are no officers of the Company who are former partners of the Group's auditor, Ernst & Young.

Auditor's independence declaration

A copy of the auditor's independence declarations as required under sections 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

Ernst & Young continues in office in accordance with the section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On Behalf of Directors



Brendan Fleiter
Chairman and Non-Executive Director



Jeromy Wells
Chief Executive Officer

Melbourne

17 August 2022

Remuneration report (audited)

This remuneration report details the remuneration arrangements for the key management personnel ('KMP') of Whispir, in accordance with the requirements of the Corporations Act 2001, and its regulations. KMP are the directors of Whispir and those executives who have authority and responsibility for planning, directing and controlling the activities of the Company.

The remuneration report is set out under the following main headings:

1. Persons covered in this remuneration report
2. Principles used to determine remuneration of KMP
3. Non-executive director remuneration
4. Service agreements
5. Senior executive remuneration
6. Movements in shares
7. KMP statutory remuneration details for the year ended 30 June 2022 ('FY22')
8. Other transactions with KMP

1. Persons covered in this remuneration report

Non-executive Directors **Role**

Brendan Fleiter	Non-executive Director, Chair of the Board and Chair of the Nominations and Remuneration Committee
Sarah Morgan	Non-executive Director and Chair of the Audit and Risk Committee
Sara La Mela	Non-executive Director
Aled Miles	Non-executive Director, appointed on 1 December 2020
Scott Tong	Non-executive Director, appointed on 1 December 2021

Executive KMP **Role**

Jeromy Wells	Chief Executive Officer ('CEO') and Executive Director
Tobi Brix	Chief Operating Officer ('COO')
Jenni Pilcher	Chief Financial Officer ('CFO'), appointed on 3 November 2021
Justin Owen	CFO resigned 7 April 2021, continued in interim capacity until 31 October and a consultative position to 17 November 2021.

2. Principles used to determine remuneration of KMP

2.1 Nominations and Remuneration Committee ('NRC')

The Board of Whispir has constituted a NRC that determines the principles and objectives of Whispir's remuneration plans. The NRC Charter outlines the composition of the committee, its responsibilities, meeting requirements, reporting procedures and duties of the committee.

The NRC has two key functions, being nomination and remuneration, as follows:

- a) the purpose of the nomination function is to review and make recommendations to the Board with respect to identifying nominees for directorships and key executive appointments, considering the composition of the Board, ensuring that effective induction and education procedures exist for new Board appointees and key executives, and ensuring that appropriate procedures exist to assess and review the performance of the chairman, non-executive directors, senior executives (including senior and key officers) in Board committees and the Board as a whole; and
- b) the purpose of the remuneration function is to provide advice, recommendations and assistance to the Board in relation to Whispir's remuneration policies and remuneration packages of senior management, executive directors and non-executive directors.

The role and responsibilities, composition, structure and membership requirements of the committee are documented in the NRC Charter approved by the Board.

The NRC Charter provides that the committee should comprise, to the extent practicable given the size and composition of the Board from time to time, at least two, ideally three members, a majority of whom are independent directors. The current members are Brendan Fleiter (Chair) and Sarah Morgan, both are considered independent. The Board has considered the current membership and has deemed that it is practicable given the size and composition of the Board.

2.2. Remuneration principles

Whispir's executive remuneration policy is founded on the following fundamental principles which form the basis of determining all remuneration decisions:

- fairness;
- market competitiveness and reasonableness;
- linkage to performance; and
- meaningfulness to shareholders.

The remuneration committee is responsible for making all key recommendations in respect of executive remuneration to the Board. The remuneration framework of key executives has been designed to align executive reward to shareholders' interests. The remuneration policy seeks to enhance shareholders' interests by:

- driving sustained growth in shareholder wealth by focusing the executives on key financial and non-financial value creators;
- providing appropriate and competitive reward for contributions made to shareholder wealth;
- attracting and retaining high-calibre executives who can enable Whispir to successfully grow its business locally and internationally; and
- providing a cogent remuneration structure to reward high performance.

2.3. Remuneration advisers

Whispir engages with external consultants from time to time to benchmark executive remuneration arrangements with similar organisations in the Australian technology industry and in other overseas markets where it competes for talent.

The Board has previously engaged AON Australia ('AON') to conduct the remuneration benchmarking of executive and non-executive director roles and continues to utilise their services on an as required basis. AON also provides independent market information and advice to assist the Board in developing and maintaining the executive remuneration structure that considers shareholder and market expectations for an ASX listed company. The Board is satisfied that the recommendations provided are free from undue influence by the members of the KMP to which the recommendation relates.

During the financial year AON provided services pertaining to the preparation of the relative total shareholder return peer group for the executive LTI plan. The consideration payable for the recommendation totalled \$15,054.

3. Non-executive director remuneration

Under the Constitution, the Board may decide the total amount paid to each director as remuneration for their services as a director. However, under the ASX Listing Rules, the total amount to all directors for their services (excluding the salary of any executive director) must not exceed in aggregate in any financial year the amount last approved by shareholders. The amount is currently \$600,000 per annum, approved by shareholders at the Company's extraordinary general meeting held 15 March 2019.

Non-executive director fees	Director Fee	Committee Chair Fee	Total Fee
	\$	\$	\$
Brendan Fleiter	170,000	15,000	185,000
Aled Miles	85,000	-	85,000
Sarah Morgan	85,000	15,000	100,000
Sara La Mela	85,000	-	85,000
Scott Tong*	85,000	-	85,000
Total	510,000	30,000	540,000

*Scott Tong was appointed on 1 Dec 2021. Pro-rated remuneration is included in section 7.

All non-executive directors' fees are inclusive of superannuation contributions where required by law to be made by Whispir.

Movement in non-executive director performance rights

There were no options or rights issued or issuable to non-executive directors during the reporting period.

The below table provides the performance rights detail for non-executive directors.

	Balance 1 July 2021	Granted during the reporting period	Exercised during the reporting period	Vested during the reporting period	Vested and exercisable 30 June 2022	Balance 30 June 2022	Vested but not exercisable 30 June 2022
Brendan Fleiter	52,500	-	-	17,500	70,000	70,000	-
Sarah Morgan	26,250	-	-	8,750	35,000	35,000	-
Sara La Mela	26,250	-	-	8,750	35,000	35,000	-
Total	105,000	-	-	35,000	140,000	140,000	-

4. Service agreements

A summary of contract terms in relation to executive KMP is presented below. Service agreements for Jeromy Wells and Tobias Brix are contracted for in Singapore Dollars (SGD) and converted into Australian Dollars (\$) for the purposes of this report unless otherwise stated.

Name and Role	Employing entity	Notice Period
Jeromy Wells, CEO	Whispir Holdings Pte Ltd	4 months
Tobi Brix, COO	Whispir Holdings Pte Ltd	4 months
Jenni Pilcher, CFO	Whispir Australia Pty Ltd	3 months

Duration of contracts: Executive KMP contracts are open ended.

Termination payments: KMP termination payment terms are equivalent to the notice period.

5. Senior executive remuneration

5.1. Remuneration structure and policy

Whispir is an ASX-listed company that operates and competes for top executives and specialist talent in the global technology sector. To attract and retain high calibre candidates from within this highly competitive international talent pool, remuneration arrangements typically need to be highly leveraged to long-term incentives. It is Whispir's remuneration policy to provide executive fixed remuneration benchmarked against the median, or 50th percentile, in the market and total remuneration (inclusive of target short-term incentive ('STI') and long-term incentive ('LTI') opportunities) against the 80th percentile of the market. This policy is an indicative guideline, and the actual positioning of each executive will vary depending on a number of factors, including but not limited to their individual contribution, performance, experience in the role, and the scope of their accountability within Whispir.

The Board has developed a remuneration framework that is intended to strike an appropriate balance between the need to compete internationally for talent while still meeting the market and governance expectations of an ASX-listed company.

Whispir's executive remuneration policy applies to the KMP named in this report (at Section 1) and outlines the Company's intentions regarding senior executive remuneration, including how remuneration is structured, benchmarked and adjusted in response to changes in the circumstances of the Company, and in line with current best-practices. Whispir's executive remuneration structure includes three different components as set out below:

(i) Fixed remuneration ('FR')

Fixed remuneration includes base salary, superannuation contributions and other ordinarily paid benefits, allowances and any applicable fringe benefits tax ('FBT').

The table below provides the fixed remuneration details for the executive KMP:

FY22 Fixed Remuneration

Name and Role	Effective Date	Annual fixed remuneration FY22	Annual fixed remuneration FY22 (\$) *
Jeromy Wells, CEO	01/07/2021	SGD556,416	563,774*
Tobi Brix, COO	01/07/2021	SGD400,000	405,290*
Jenni Pilcher, CFO	03/11/2021	AUD450,000	450,000**
Justin Owen	01/07/2021	AUD330,000	330,000**

*Converted at a daily-weighted 1-year average FX rate of 0.98695.

** Annual salary.

(ii) Short-term incentives ('STI')

STIs provide recognition for performance against annual business targets which are set by the Board for key executives at the beginning of the financial year. Targets were assessed and established by the Nominations and Remuneration Committee, in line with the remuneration principles outlined in section 2.

The FY22 STI opportunities for the key executives were established as a dollar value at the beginning of the year. The STI opportunities as a percentage of each executive's fixed remuneration for FY22 are indicated as follows:

Name and Role	Target STI	Maximum STI
Jeromy Wells, CEO	50%	75%
Tobi Brix, COO	63%	94%
Jenni Pilcher, CFO	56%	83%

(iii) Long-term incentives ('LTI')

LTIs ensure alignment of shareholder interests with executive interests, in addition to providing a retention element to Whispir's remuneration structure and are delivered through performance rights. Performance rights will be granted at the beginning of each year and will generally vest after three years subject to the achievement of pre-determined long-term business goals and the Whispir share price performance relative to a pre-determined comparator group.

For the grants made in FY22, the performance conditions decided by the Board were:

- (i) relative total shareholder return ('RTSR') (Market Performance Hurdle); and
- (ii) revenue compound annual growth rate ('CAGR') (Non-market Performance Hurdle).

RTSR is measured externally and compares Whispir relative to a bespoke comparator group of ASX-listed tech companies that the Board considers as appropriate peers for Whispir.

These conditions were selected as they focus executives on shareholder value creation and are widely accepted and understood by shareholders. These conditions remain constant for future years.

The RTSR for the Group and comparator companies is measured over three financial years (e.g. 1 July 2021 to 30 June 2024 for the FY22 grant).

The comparator companies for the FY22 grant are as follows:

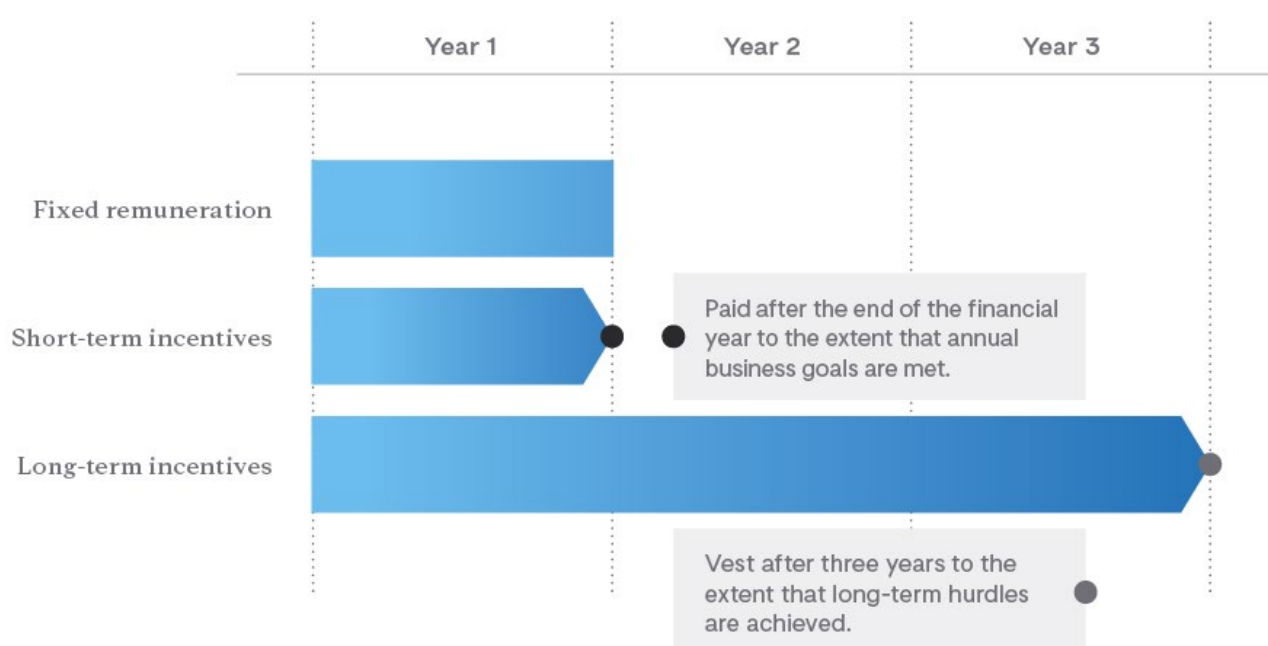
Life360, Inc.	WiseTech Global Limited	Praemium Limited
Elmo Software Limited	Bigtincan Holdings Limited	Class Limited
Nearmap Ltd	IRESS Limited	LiveHire Limited
Technology One Limited	Over the Wire Holdings Limited	ReadyTech Holdings Limited
Bill Identity Limited	Xero Limited	Dubber Corporation Limited
Hansen Technologies Limited	Bravura Solutions Limited	LiveTiles Limited
Objective Corporation Limited	Integrated Research Limited	Reckon Limited

The current policy and contractual arrangements with KMP provide for LTI awards with a maximum LTI value as a percentage of fixed remuneration as shown in the table below. For any LTI award of performance rights, the number of rights to be granted will be calculated by dividing the maximum value by a volume-weighted average share price for the 10 trading days before and after the date of the grant ('±10-day VWAP').

Name and Role	Maximum LTI Opportunity as a % of fixed remuneration
Jeromy Wells, CEO	107%
Tobi Brix, COO	250%
Jenni Pilcher, CFO	100%

FY22 Long Term Incentive

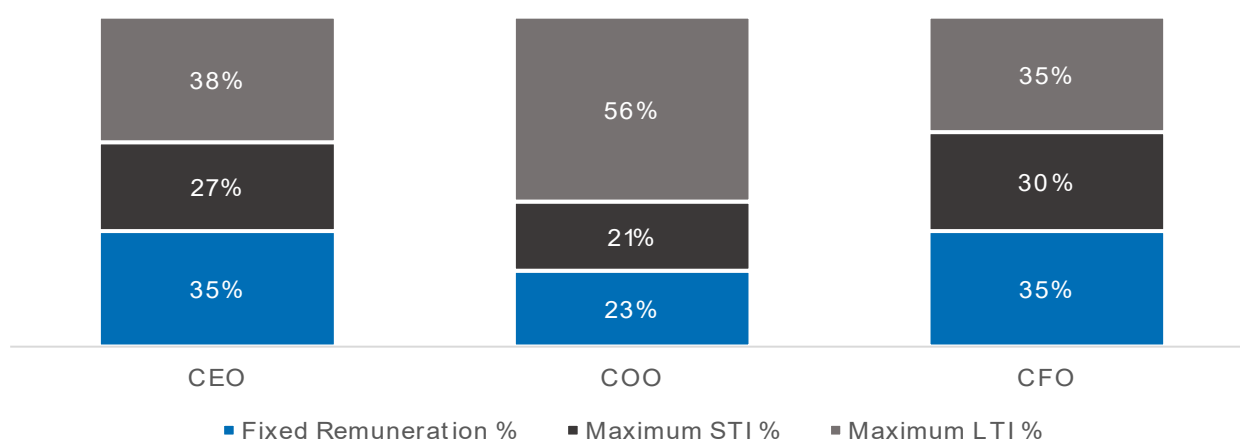
The following chart shows the timeline of various components of remuneration. Executives will realise the full value of their annual remuneration only if 3-year performance targets as determined by the Board are achieved.



FY22 remuneration mix

The chart below shows the relative proportion of the various elements of remuneration for the key executives with variable incentive opportunities displayed 'at-maximum'. At least 65% of the maximum potential remuneration for all key executives is delivered through variable incentives, which shows Whispir's focus on ensuring executive pay reflects business performance and shareholder interests.

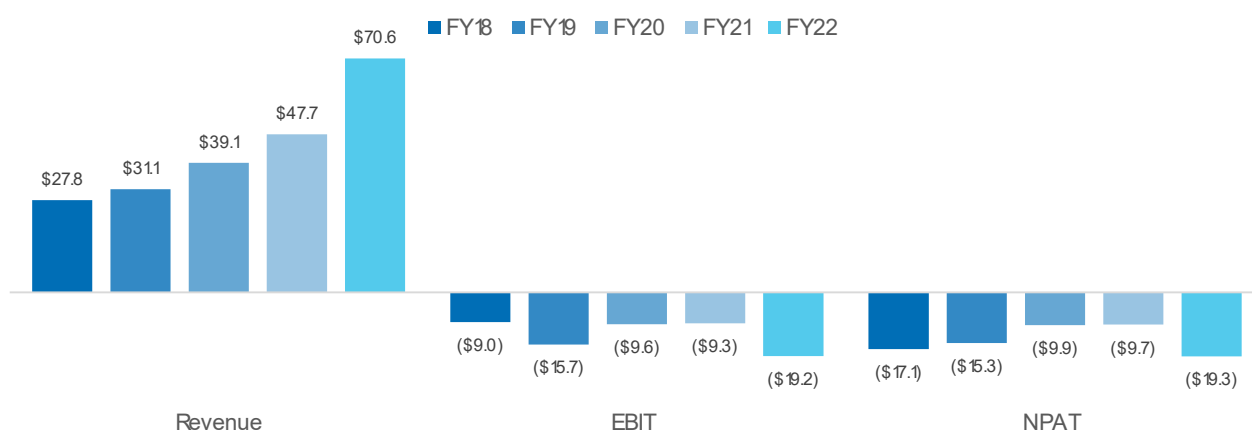
KMP Maximum Remuneration Mix - FY22



5.1. Financial performance

The Group's financial performance over the last five years is illustrated as follows:

Whispir 5 Year Financial Performance



Earnings Before Interest and Tax (EBIT) and Net Profit After Tax (NPAT)



Share price data presented is since the date of the IPO on 19 June 2019

5.3 Short-term incentive ('STI')

5.3.1. FY22 STI outcomes for KMP

At the beginning of FY22 each KMP was given a target STI opportunity subject to the achievement of financial and operational targets linked to the performance measures, detailed in the tables below. For FY22, the maximum STI they could earn was capped at 150% of the target amount.

The following tables detail the FY22 STI performance outcomes for Whispir's KMPs:

FY22 STI Performance Outcomes

Name and Role	Target STI FY22	Actual STI FY22	Actual STI as % of Target
Jeromy Wells, CEO	281,887*	422,831*	150%
Tobi Brix, COO	255,332*	322,965*	126%
Jenni Pilcher, CFO	250,000	226,027	90%
Total	777,245	971,823	

*These amounts were set and paid using SGD. They have been converted to AUD using a daily-weighted 1-year average FX rate of 0.98695.

Jeromy Wells, CEO

Metric	% of STI Target	Achievement
Total Revenue	50%	Exceeded target
Annual Contract Value ('ACV') (New and Growth)	20%	Exceeded target
EBITDA (excluding non-cash share-based payments)	20%	Exceeded target
Employee Engagement	10%	Exceeded target

Tobi Brix, COO

Metric	% of STI Target	Achievement
Total Revenue	30%	Exceeded target
US Revenue	15%	Below threshold
ACV (New and Growth)	35%	Exceeded target
EBITDA (excluding non-cash share-based payments)	20%	Exceeded target

Jenni Pilcher, CFO

Metric	% of STI Target	Achievement
Total Revenue	40%	Exceeded target
People & Systems	25%	At target
EBITDA (excluding non-cash share-based payments)	25%	Exceeded target
Employee Engagement	10%	Exceeded target

5.3.2. FY23 STI plan

As in FY22, the FY23 STI performance targets were established across a mix of financial and operational criteria, as outlined below:

Purpose and basic operation

The STI plan is in place to ensure that executives are incentivised to exceed annual business performance goals based on a scorecard of key performance metrics approved by the Board. Each performance metric has a 'weight' attached to it, which communicates the extent to which it can influence the overall outcome.

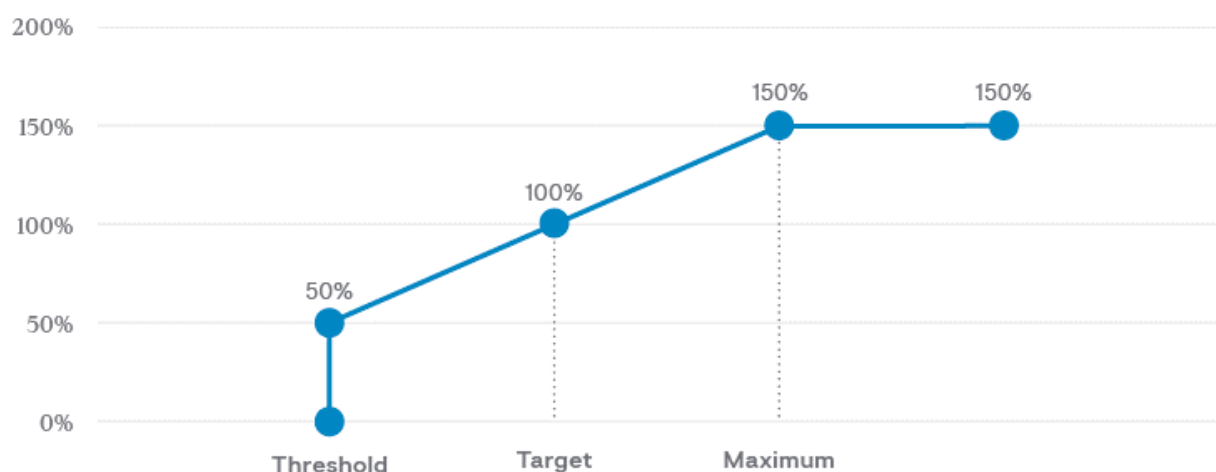
Key performance indicators

STI awards are assessed on an individual scorecard basis, which is outlined below. The specifics of the performance criteria for the forthcoming year, and their calibration at threshold, target and maximum, are commercially sensitive and therefore are not disclosed. The STI will be paid based on Whispir's performance on the following key performance metrics:

Metric	CEO	COO	CFO
Total Revenue	50%	30%	40%
ACV (New and Growth)	20%	20%	-
EBITDA (excluding non-cash share-based payments)	20%	-	25%
Engagement	10%	-	10%
US Revenue	-	15%	-
Innovation Revenue	-	35%	-
EBITDA (excluding non-cash share-based payments) Positive	-	-	25%

Outcome determination

Any payouts under the STI plan will be made if the performance of Whispir on any metric is above a 'threshold' level of performance as determined by the Board. The STI plan will payout 50% of the target opportunity if the performance is at threshold level. The payout will increase linearly to 100% of target for on-target performance. For performance above target, the payout will increase in a linear manner until it reaches a payout cap of 150% of target. The graph below displays the payout curve at various levels of performance:



Board discretion

The Board retains overall discretion to adjust the STI outcomes of executives if deemed reasonable in the event of unusual business outcomes, fraud, misconduct or other extraordinary circumstances.

5.4 Long-term incentives ('LTI')

Whispir executives are eligible to receive performance rights as determined by the Board under LTI plan rules. Key features of the plan are outlined below:

Eligibility

The Board may, at its discretion, offer grants under the Performance Rights Plan ('PRP') to any employee, director or contractor of Whispir.

Instrument

Grants made under the PRP are for rights over fully paid ordinary shares in Whispir. Grants under the PRP do not convey notice or voting rights to the holder, or the right to receive any dividends paid.

Grants granted under the PRP may not be assigned, transferred or encumbered with a security interest without the express consent of the Board, unless the transfer occurs by force of law upon the death of a participant.

At its discretion, the Board may elect to award a participant cash in place of shares, equivalent to the market value of the shares that would otherwise have been allocated to the participant, less any deductible amounts.

Grant of performance rights

Performance rights may be granted under the PRP subject to vesting conditions, including but not limited to, time and performance-based hurdles. These conditions are determined by the Board at the time of offer. Under normal circumstances, grants will only vest upon satisfaction of these vesting conditions.

Exercise period

The exercise period is determined at the sole discretion of the Board with the maximum being capped at 15 years.

Termination

Upon termination, participants deemed “Good Leavers” will retain the right to exercise any vested grants for a period of 90 days, with all unvested grants lapsing, subject to overriding Board discretion.

Both the vested and unvested grants of a “Bad Leaver” automatically lapse upon termination. Participants will be considered Bad Leavers if they are terminated for poor performance, or for reasons involving serious and persistent breaches of their employment contract, fraudulent or dishonest conduct, and wrongful negligent acts. A participant will also be considered a Bad Leaver if they engage in certain activities with a competitor of Whispir within six months of their termination.

5.4.1. LTI awards

KMP were issued a grant of performance rights in FY22 to satisfy the contractual entitlement to LTI. FY22 awards vest over three years subject to performance hurdles. Performance rights vesting conditions are subject to service conditions (continuity of employment) and performance conditions and vest on the 30 June 2024.

Performance conditions are split equally with 50% attached to Revenue CAGR (non-market performance) and 50% attached to RTSR (market performance). In order for Market conditions to vest, RTSR performance must be at or above the 50th percentile when compared to the constituents of a bespoke group of comparable tech companies. Awards will vest in full for performance at or above the 80th percentile. Revenue performance conditions require a threshold three-year CAGR of 20% to vest where awards will vest in full for performance at or above a three-year CAGR of 37%. As at 30 June 2022 no performance rights have vested or been exercised.

The below table provides the performance rights issued to each KMP.

Name	Date of Grant	Date of Expiry	Date of Vesting	Number Granted	Fair Value per Right at Grant	Fair Value of Performance Rights at Grant
Jeromy Wells	24/11/2021	27/11/2036	30/06/2024	218,625	\$2.10 for non market \$1.32 for market	\$373,849
Tobias Brix	17/03/2022	13/03/2037	30/06/2024	375,462	\$1.65 for non market \$1.05 for market	\$642,040
Jenni Pilcher	17/03/2022	13/03/2037	30/06/2024	171,103	\$1.65 for non market \$1.05 for market	\$230,989

5.4.2 Options Awarded, vested, exercised, cancelled and lapsed

There were no employee options granted to KMP in FY22. The number and value of outstanding options granted to KMP is set out below:

2022 Options Holdings of KMP

Name	Balance 1 July 2021	Granted during the reporting period	Exercised during the reporting period	Lapsed during the reporting period	Balance 30 June 2022	Vested and exercisable 30 June 2022	Vested but not exercisable 30 June 2022
Jeromy Wells	920,520	-	670,764	127,543	122,213	99,981	-

670,764 options were exercised during the period on a cashless basis. The value of options exercised was AUD 1,529,342. 127,543 options were lapsed to fund the exercise price.

2022 Performance Rights Holdings of KMP

Name	Balance 1 July 2021	Granted during the reporting period	Exercised during the reporting period	Lapsed during the reporting period	Balance 30 June 2022	Vested and exercisable 30 June 2022	Vested but not exercisable 30 June 2022
Jeromy Wells	634,209	218,625	-	-	852,834	-	-
Tobias Brix	715,744	375,462	-	-	1,091,206	-	-
Jenni Pilcher	-	171,103	-	-	171,103	-	-
Total	1,349,953	765,190	-	-	2,115,143	-	-

6. Movements in shares

Shareholding

The number of shares in the Company held (directly or indirectly) during the financial year by each KMP or their related parties (their close family members or any entity they, or their close family members, control, jointly control or significantly influence) are set out below:

2022 Movement in Shares

	Balance at 1 Jul 2021	Shares issued in FY22 upon exercise of vested options or rights	Shares acquired	Shares disposed of	Balance at 30 June 2022
Ordinary Shares					
Brendan Fleiter, Non-executive Director	250,000	-	47,100	-	297,100
Sarah Morgan, Non-executive Director	53,125	-	20,000	-	73,125
Sara La Mela, Non-executive Director	9,375	-	-	-	9,375
Jeromy Wells, CEO	12,062,170	670,764	52,880	(400,000)	12,385,814
Tobi Brix, COO	555,062	-	-	-	555,062
Jenni Pilcher, CFO *	-	-	11,300	-	11,300
Justin Owen, CFO **	9,186	-	-	-	9,186
	12,938,918	670,764	131,280	(400,000)	13,340,962

* Appointed 3 November 2021.

** Resigned 7 April 2021, continued in interim capacity until 31 October and a consultative position to 17 November 2021.

Aled Miles and Scott Tong hold no interest in ordinary shares.

7. KMP statutory remuneration details for the year ended 30 June 2022

The following table has been prepared in accordance with Australian Accounting Standards and Section 300A of the Corporations Act 2001. The table shows details of the nature and amount of each element of remuneration paid or awarded to KMP for services provided during the year while they were KMP (including STI amounts in respect of performance during the year which are paid in cash following the end of the year).

2022 KMP Statutory Remuneration Details

	Short Term				Share Based Payments			Post-employment	Total	Performance Related %
	Base salary \$	Other Benefits* \$	STI \$	Retention Bonus \$	NED Performance Rights**** \$	LTI Performance Rights \$	LTI Options \$	Super/CPF \$		
Non-Executive Directors										
Brendan Fleiter	168,950	-	-	-	10,055	-	-	16,895	195,900	5%
Aled Miles	85,000	-	-	-	-	-	-	-	85,000	0%
Sarah Morgan	91,324	-	-	-	5,027	-	-	9,132	105,483	5%
Sara La Mela	77,626	-	-	-	5,027	-	-	7,763	90,416	6%
Scott Tong	49,679	-	-	-	-	-	-	-	49,679	0%
Executive Directors										
Jeremy Wells	563,774	70,959	422,831	-	-	364,577	220,669	-	1,642,810	61%
Other KMP										
Tobi Brix	405,290	(5,828)	322,965	-	-	277,716	-	17,569	1,017,712	59%
Jenni Pilcher**	269,628	4,641	226,027	-	-	31,551	-	18,333	550,180	47%
Justin Owen***	162,119	18,354	67,500	22,500	-	-	-	10,521	280,994	32%
Totals	1,873,390	88,126	1,039,323	22,500	20,109	673,844	220,669	80,213	4,018,174	

* Other benefits include provision of car parking facilities, life insurance, net accrual of annual leave and long service leave entitlements. Tobi Brix's other benefits are negative because he took more annual leave than accrued in the period to 30 June 2022.

** Appointed 3 November 2021.

*** Resigned 7 April 2021, continued in interim capacity until 31 October and a consultative position to 17 November 2021.

**** NED Performance Rights were issued in relation to the IPO on 19 June 2019.

2021 KMP Statutory Remuneration Details

	Short-term				Share Based Payments			Post-employment	Total	Performance Related %
	Base salary \$	Benefits* \$	Other Benefits** \$	STI \$	NED Performance Rights \$	Performance Rights \$	LTI Options \$	Super/CPF \$		
Non-Executive Directors										
Brendan Fleiter	168,950	-	308	-	25,855	-	-	16,050	211,163	12%
Aled Miles	28,333	-	-	-	-	-	-	-	28,333	0%
Sarah Morgan	91,324	-	328	-	12,927	-	-	8,676	113,255	11%
Sara La Mela	77,626	-	347	-	12,927	-	-	7,374	98,274	13%
Shane Chesson	29,692	-	-	-	-	-	-	-	29,692	0%
Executive Directors										
Jeremy Wells	553,619	6,960	50,304	264,674	-	272,833	220,669	-	1,369,059	55%
Other KMP										
Tobi Brix	386,399	-	29,722	251,644	-	606,295	-	16,881	1,290,941	66%
Justin Owen***	304,375	-	23,182	100,291	-	-	-	25,625	453,473	22%
Totals	1,640,318	6,960	104,191	616,609	51,709	879,128	220,669	74,606	3,594,190	

* Provision of car parking facilities.

** Other benefits include accrual of annual leave and long service leave entitlements and WFH allowance.

*** Resigned 7 April 2021, continued in interim capacity until 31 October and a consultative position to 17 November 2021.

8. Other transactions with KMP

There are no other transactions with KMP and their related parties except for those disclosed in the Notes to the Financial Statements at Note 26 Related Party Transactions.

This concludes the remuneration report, which has been audited.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Brendan Fleiter

Chairman and Non-Executive Director



Jeromy Wells

Chief Executive Officer

Melbourne

17 August 2022



**Building a better
working world**

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Auditor's Independence Declaration to the Directors of Whispir Limited

As lead auditor for the audit of the financial report of Whispir Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.
- c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Whispir Limited and the entities it controlled during the financial year.

Ernst & Young

David McGregor
Partner
17 August 2022

For the year ended 30 June 2022

		Consolidated	
	Note	2022 \$'000	2021 \$'000
Revenue			
Software revenue		69,387	46,275
Professional services revenue		1,236	1,456
Total revenue	5	70,623	47,731
Cost of services		(29,331)	(19,173)
Gross profit		41,292	28,558
Interest revenue		173	185
Expenses			
Sales and marketing		(25,623)	(17,151)
Research and development		(11,967)	(7,564)
General and administration		(23,277)	(12,923)
Expected credit reversal/(loss)		143	(190)
Finance costs		(289)	(457)
Total expenses	6	(61,013)	(38,285)
Loss before income tax expense		(19,548)	(9,542)
Income tax benefit/(expense)	7	112	(112)
Loss after income tax expense for the year attributable to the owners of Whispir Limited		(19,436)	(9,654)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation		77	(12)
Other comprehensive income of the year net of tax		77	(12)
Total comprehensive loss for the year attributable to the owners of Whispir Limited		(19,359)	(9,666)
Loss for the year is attributable to:			
Owners of Whispir Limited		(19,436)	(9,654)
		(19,436)	(9,654)
Total comprehensive income for the year is attributable to:			
Owners of Whispir Limited		(19,359)	(9,666)
		(19,359)	(9,666)
		Cents	Cents
Basic earnings per share	30	(16.54)	(8.93)
Diluted earnings per share	30	(16.54)	(8.93)

The above Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

As at 30 June 2022

		Consolidated	
	Note	2022 \$'000	2021 \$'000
Assets			
Current assets			
Cash and cash equivalents	8	26,077	49,173
Trade and other receivables	9	5,954	6,511
Prepayments		2,190	1,700
Contract acquisition costs	10	2,579	2,324
Interest bearing assets		1,957	649
Total current assets		38,757	60,357
Non-current assets			
Property, plant, and equipment	11	1,266	1,215
Intangibles	12	15,725	10,806
Right-of-use assets	13	656	1,973
Contract acquisition costs	10	1,560	1,430
Total non-current assets		19,207	15,424
Total assets		57,964	75,781
Liabilities			
Current liabilities			
Trade and other payables	14	11,734	12,623
Contract liabilities	15	2,966	1,871
Employee benefits	16	2,265	1,703
Lease liabilities	17	915	605
Total current liabilities		17,880	16,802
Non-current liabilities			
Trade and other payables	14	1,292	917
Contract liabilities	15	67	156
Employee benefits	16	130	-
Lease liabilities	17	225	2,216
Total non-current liabilities		1,714	3,289
Total liabilities		19,594	20,091
Net assets		38,370	55,690
Equity			
Issued capital	18	136,305	135,413
Reserves	19	3,788	2,563
Accumulated losses		(101,723)	(82,286)
Total equity		38,370	55,690

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

For the year ended 30 June 2022

Consolidated	Issued Capital \$'000	Reserves \$'000	Accumulated Losses \$'000	Total Equity \$'000
Balance at 1 July 2020	90,362	2,028	(72,632)	19,758
Loss after income tax expense for the year	-	-	(9,654)	(9,654)
Other comprehensive income for the year, net of tax	-	(12)	-	(12)
Total comprehensive income for the year	-	(12)	(9,654)	(9,666)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	44,075	-	-	44,075
Share-based payments	-	1,523	-	1,523
Transfer of exercise of options	976	(976)	-	-
Balance at 30 June 2021	135,413	2,563	(82,286)	55,690

Consolidated	Issued Capital \$'000	Reserves \$'000	Accumulated Losses \$'000	Total Equity \$'000
Balance at 1 July 2021	135,413	2,563	(82,286)	55,690
Loss after income tax expense for the year	-	-	(19,436)	(19,436)
Other comprehensive income for the year, net of tax	-	77	-	77
Total comprehensive income for the year	-	77	(19,436)	(19,359)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	9	-	-	9
Share-based payments	-	2,031	-	2,031
Transfer of exercise of options	883	(883)	-	-
Balance at 30 June 2022	136,305	3,788	(101,723)	38,370

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

For the year ended 30 June 2022

		Consolidated	
	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Receipts from customers		78,546	46,201
Payment to suppliers and employees		(90,185)	(49,102)
Interest received		173	185
Interest expense		(284)	(444)
Other finance costs paid		(2)	(13)
Income tax refunded/(paid)		80	(114)
Net cash used in operating activities	29	(11,672)	(3,287)
Cash flows from investing activities			
Payments for property plant and equipment	11	(577)	(1,092)
Payments for intangibles	12	(8,649)	(5,044)
Payments for security deposits		(1,308)	(144)
Net cash used in investing activities		(10,534)	(6,280)
Cash flows from financing activities			
Proceeds from the issue of shares	18	-	45,951
Share issue transaction costs	18	-	(2,002)
Proceeds from the exercise of options	18	9	126
Repayment of lease liabilities		(976)	(540)
Net cash from financing activities		(967)	43,535
Net decrease in cash and cash equivalents		(23,173)	33,968
Cash and cash equivalents at the beginning of the financial year		49,173	15,217
Effects of exchange rate changes on cash and cash equivalents		77	(12)
Cash and cash equivalents at the end of the financial year	8	26,077	49,173

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Note 1. General Information

The financial statements cover Whispir Limited as a Group consisting of Whispir Limited (the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (referred to as the 'Group'). The financial statements are presented in Australian dollars, which is Whispir Limited's functional and presentation currency.

Whispir Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 15, 360 Collins Street, Melbourne, Victoria, 3000, Australia

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 17 August 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

In April 2021, the IFRS Interpretations committee (IFRIC) published an agenda decision for configuration and customisation costs incurred relating to Software as a Service (SaaS) arrangement. The Group has changed its accounting policy in relation to configuration and customisation costs incurred in implementing SaaS arrangements. The nature and effect of the changes as a result of this policy is described below.

SaaS arrangements are arrangements in which the Group does not currently control the underlying software used in the arrangement.

Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where the company has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. The amortisation is reviewed at least at the end of each reporting period and any changes are treated as changes in accounting estimates.

Where costs incurred to configure and customise do not result in the recognition of an intangible software asset, then those costs that provide the Group with a distinct service (in addition to SaaS access) are now recognised as expenses when the supplier provides the services. When such costs incurred do not provide a distinct service, the costs are not recognised as expenses over the duration of the SaaS contract.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 27.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Whispir Limited ('Company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Whispir Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and noncontrolling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received, and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Maker ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, and any other contingent events. Such estimates are determined using the most likely amount method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved.

Platform and software revenue

Platform and software revenue comprise of subscription fees from customers accessing the Whispir platform and for support services provided. Contracts that include support services with the software license are assessed as one distinct performance obligation. The Group considers its performance obligations are satisfied evenly over the contract period. Therefore, the revenue is recognised over time, beginning on the commencement date of each contract, which is the date the Group's service is made available to customers. Amounts that have been invoiced are recorded in accounts receivable and in contract liabilities, depending on whether the performance obligation has been satisfied.

Transactional revenue

Transactional revenue represents amounts charged to customers for transactions sent through the Whispir platform and is based on contractual prices for transactions. The sending of transactions through the platform is considered to be a single performance obligation together with the platform and support services. The transaction price is considered to be a variable consideration based on the contractual prices. Transaction revenues are recognised over time as transactions are sent based on contracted prices.

Professional services and configuration revenue

Professional services and configuration revenue relate to implementation, configuration and other professional services related to the Whispir platform. Contracts for these services are either on a time and materials basis or fixed fee basis and are invoiced as the services are delivered. These services are only provided by Whispir and always in connection with software platform and support services. Revenues from these services are recognised rateably over the contract period of the software platform and support contract.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to

the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Whispir Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at their transaction price and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract acquisition costs

Contract acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Contract acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained, or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

Contract acquisition costs consist of commissions paid to sales employees as well as commissions paid to resellers. Commission payments to sales employees are typically paid in full shortly after a customer's service commences. Reseller commissions are typically paid over the period of the related customer contract. The full commission is initially capitalised as well as a liability recognised upon incurrence. Amortisation of contract acquisition costs is included in the sales and marketing expense in profit or loss.

Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and machinery	5 years
Furniture, fixtures and fittings	3 years
Computer equipment	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, and the Group obtains substantially all the economic benefits of the use of the assets.

The Group has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease of 3 to 10 years. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment and adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with an original lease term of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets and intangible assets not yet available for use are not amortised and are subsequently measured at cost less any impairment.

Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset.

The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 years.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at the present value of lease payments to be made over the lease term. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index, or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees and directors.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with any conditions attached to an award, but without an associated service requirement, are

considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the loss attributable to the owners of Whispir Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Amendments and interpretations applied for the first time in this reporting period did not have a material impact on the consolidated financial statements of the Group.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue recognition – principal versus agent assessment

The Group sells services to customers both directly and through resellers. The Group assesses each arrangement to determine whether the Group act as principal or agent based on whether the Group controls the service before transferring it to the end customer.

Where the Group acts as a principal it records its revenue on a gross basis versus on a net basis where acting as an agent. The Group has concluded that it acts as a principal in relation to these arrangements on the basis that

it has primary responsibility for delivery of the service to the end customer including provisioning of the service, hosting the service and ongoing support services.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black Scholes model considering the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no significant impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped, based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 9, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Development expenditure

The Group capitalises development expenditure as an intangible asset for the projects in accordance with the accounting policy.

Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, as with the nature of software delivery model, key judgement is required in determining whether incremental product enhancements will provide additional future economic benefit.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly because of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets have not been recognised in respect of these losses and temporary differences as they are not yet considered probable of realisation as at the year end. The future recoverability of tax losses and research and development credits is dependent upon continuing to comply with regulatory requirements as well as the production of sufficient future taxable income.

Right-of-use assets

The Group capitalises right-of-use assets in accordance with the accounting policy described in note 2. The capitalised cost is based on management's judgement regarding discount rate and assumptions in relation to contract period including anticipated lease renewals. The Group has used a lessee's incremental borrowing rate of 7% applied across the Group (2021: 14%)

Note 4. Operating segments

Identification of reportable operating segments

The Group is organised into geographic operating segments: Australia & New Zealand, Asia and North America.

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews segment margin (being segment revenue less cost of sales). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is monthly. The CODM does not regularly review segment assets and segment liabilities. Refer to statement of financial position for assets and liabilities.

Types of products and services

The principal products and services of each of these operating segments are identical. Segment revenue and gross margin are derived principally from the commercialisation of the Group's cloud-based communication management platform and services in the Group's main markets being Australia and New Zealand, Asia and North America.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers

Whispir had one customer in the Australia and New Zealand region that accounted for \$12,698k (17.9%) of group revenue (2021: no individual customer exceeded 10% of revenue).

	Australia & New Zealand \$'000	Asia \$'000	North America \$'000	Total \$'000
Consolidated 2022				
Revenue				
Sales to external customers	62,032	6,762	1,829	70,623
Total revenue	62,032	6,762	1,829	70,623
Segment margin	38,216	2,717	359	41,292
Interest revenue	173	-	-	173
Sales and marketing				(25,623)
Research and development				(11,967)
General and administration				(23,277)
Expected credit loss				143
Finance costs				(289)
Loss before income tax expense				(19,548)
Income tax benefit				112
Loss after income tax expense				(19,436)

	Australia & New Zealand \$'000	Asia \$'000	North America \$'000	Total \$'000
Consolidated 2021				
Revenue				
Sales to external customers	39,695	6,714	1,322	47,731
Total revenue	39,695	6,714	1,322	47,731
Segment margin	25,180	2,977	401	28,558
Interest revenue	185			185
Sales and marketing				(17,151)
Research and development				(7,564)
General and administration				(12,923)
Expected credit loss				(190)
Finance costs				(457)
Loss before income tax expense				(9,542)
Income tax expense				(112)
Loss after income tax expense				(9,654)

Note 5. Revenue from contracts with customers

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2022 \$'000	2021 \$'000
Major product lines		
Platform and software revenue	14,746	13,795
Transactional revenue	54,641	32,480
Professional services and configuration revenue	1,236	1,456
	70,623	47,731
Geographical regions		
Australia	60,485	38,328
Singapore	5,921	5,933
North America	1,829	1,322
New Zealand	1,546	1,367
Indonesia	504	-
Malaysia	156	281
India	-	230
Others	182	270
	70,623	47,731
Timing of revenue recognition		
Software as a Service and services transferred over time	70,623	47,731

Note 6. Expenses

	Consolidated	
	2022 \$'000	2021 \$'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Furniture, fixtures and fittings	194	109
Computer equipment	326	248
Plant and machinery	5	-
Right-of-use assets	771	569
Total depreciation	1,296	926
Amortisation		
Development expenditure	3,730	2,168
Customer acquisition costs*	1,796	883
Total amortisation	5,526	3,051
Total depreciation and amortisation	6,822	3,977
Finance costs		
Interest cost on lease	284	444
Other interest	5	13
Finance costs expensed	289	457
Rental expense relating to operating lease		
Expense relating to short-term leases (included in general and administration expense)	123	112
Variable lease payments (included in general and administration expense)	163	136
Employee benefits expense		
Wages and salaries	38,254	22,674
Defined contribution superannuation expense	2,888	1,692
Payroll tax	1,443	835
Other employee benefits expense	2,487	1,460
Share-based payments	2,031	1,523
Total employee benefits expense	47,103	28,184

*Amortisation of customer acquisition costs pertain to sales commissions paid on obtaining new customer contracts.

Note 7. Income Tax

	Consolidated	
	2022 \$'000	2021 \$'000
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(19,548)	(9,542)
Tax at the Australian statutory tax rate of 30% (2021: 26%)	(5,864)	(2,481)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income		
Share-based payments	609	396
Other permanent differences	20	-
Subtotal	(5,235)	(2,085)
Differences in overseas tax rates	2,005	341
Refund of taxes from prior periods	(112)	-
Current year temporary differences not recognised	1,237	1,744
Tax losses and R&D credits utilised	(1,608)	(968)
Tax losses unutilised	3,601	1,080
Income tax expense in overseas subsidiaries	-	112
Income tax (benefit)/expense	(112)	112

	Consolidated	
Tax losses	2022 \$'000	2021 \$'000
Unused tax losses and R&D tax credits for which no deferred tax asset has been recognised	59,834	42,716
Potential tax benefit @ 30%	17,950	12,815

The Group has tax losses and research and development credits that arose in Australia, Singapore and the United States of America that may be available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they are not yet considered probable of realisation. The future recoverability of tax losses and research and development credits is dependent upon continuing to comply with regulatory requirements as well as the production of sufficient future taxable income in each of those jurisdictions.

	Consolidated	
	2022 \$'000	2021 \$'000
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Contract liabilities	538	568
Accrued expenses	1,628	1,399
Right-of-use assets/lease liability	115	216
Tax losses and research and development credits	17,950	12,815
Customer acquisition costs/capitalised research and development	(2,416)	(1,550)
Total deferred tax assets not recognised	17,815	13,448

	Consolidated	
	2022 \$'000	2021 \$'000
Deferred tax liability		
Customer acquisition costs/capitalised research and development	(2,416)	(1,550)
Recognition of deferred tax assets to the extent of deferred tax liabilities	2,416	1,550
	-	-

Note 8. Cash and cash equivalents

	Consolidated	
	2022 \$'000	2021 \$'000
Current assets		
Cash at bank	25,567	48,663
Cash on deposit	510	510
	26,077	49,173

Note 9. Trade and other receivables

	Consolidated	
	2022 \$'000	2021 \$'000
Current assets		
Trade receivables	6,040	6,808
Less – Allowance for expected credit losses	(157)	(300)
	5,883	6,508
Other receivables	71	3
	5,954	6,511

Allowance for expected credit losses

The Group has recognised a net impairment reversal of \$143,000 (2021: net charge \$190,000) in profit or loss in respect of the expected credit losses for the year ended 30 June 2022. Whispir carries a low provision for credit losses as 81% (2021: 75%) of revenue is derived through channel partners that bear the end customer credit risk. The expected credit loss below reflects both the direct customer and channel partner positions.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2022	2021	2022	2021	2022	2021
	%	%	\$'000	\$'000	\$'000	\$'000
1 to 30 days	0.01%	0.05%	5,360	5,698	1	3
31 to 90 days	2.08%	16.99%	337	359	7	61
Over 90 days	43.72%	31.42%	343	751	149	236
			6,040	6,808	157	300

Movements in the allowance for expected credit losses are as follows:

Consolidated		
	2022	2021
	\$'000	\$'000
Opening balance	300	110
Additional provisions recognised	-	190
Unused amount reversed	(143)	-
Closing balance	157	300

Note 10. Contract acquisition costs

Consolidated		
	2022	2021
	\$'000	\$'000
Current assets		
Contract acquisition costs	2,579	2,324
Non-current assets		
Contract acquisition costs	1,560	1,430
	4,139	3,754

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated		
	2022	2021
	\$'000	\$'000
Opening balance	3,754	3,923
Additions	4,480	3,133
Amortisation	(4,095)	(3,302)
Closing balance	4,139	3,754

Note 11. Property, plant and equipment

	Consolidated	
	2022 \$'000	2021 \$'000
Non-current assets		
Furniture, fixtures and fittings – at cost	1,014	1,354
Less: Accumulated depreciation	(378)	(612)
	636	742
Computer equipment – at cost	1,357	1,186
Less: Accumulated depreciation	(781)	(713)
	576	473
Plant and machinery – at cost	58	-
Less: Accumulated depreciation	(5)	-
	53	-
	1,266	1,215

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant and machinery \$'000	Furniture, fixtures and fittings \$'000	Computer equipment \$'000	Total \$'000
Balance at 1 July 2020	-	173	307	480
Additions	-	678	414	1,092
Depreciation expense	-	(109)	(248)	(357)
Balance at 30 June 2021	-	742	473	1,215
Additions	58	89	430	577
Depreciation expense	(5)	(194)	(326)	(525)
Balance at 30 June 2022	53	636	576	1,266

Note 12. Intangibles

	Consolidated	
	2022 \$'000	2021 \$'000
Non-current assets		
Development expenditure -at cost	23,304	14,655
Less: Accumulated amortisation	(7,579)	(3,849)
	15,725	10,806

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Development Expenditure \$'000
Balance at 1 July 2020	7,930
Additions	5,044
Amortisation expense	(2,168)
Balance at 30 June 2021	10,806
Additions	8,649
Amortisation expense	(3,730)
Balance at 30 June 2022	15,725

Note 13. Right-of-use assets

	Consolidated	
	2022 \$'000	2021 \$'000
Non-current assets		
Right-of-use assets	656	1,973

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Office premises \$'000	Data centres \$'000	Total \$'000
Balance at 1 July 2020	2,490	74	2,564
Additions	19	-	19
Disposals	(41)	-	(41)
Depreciation expense	(529)	(40)	(569)
Balance at 30 June 2021	1,939	34	1,973
Additions	646	251	897
Disposals	(1,443)	-	(1,443)
Depreciation expense	(617)	(154)	(771)
Balance at 30 June 2022	525	131	656

Note 14. Trade and other payables

	Consolidated	
	2022 \$'000	2021 \$'000
Current liabilities		
Trade payables	4,191	5,466
Commissions payable	1,905	1,699
Other payables and accruals	5,637	5,458
	11,734	12,623
Non-current liabilities		
Commissions payable	1,292	917
	13,026	13,540

Note 15. Contract liabilities

	Consolidated	
	2022 \$'000	2021 \$'000
Current liabilities		
Contract liabilities	2,966	1,871
Non-current liabilities		
Contract liabilities	67	156
	3,033	2,027

Reconciliation

Reconciliation of the written down values at the beginning and end of the current financial year are set out below:

	Consolidated	
	2022 \$'000	2021 \$'000
Opening balance	2,027	2,550
Payments received in advance	2,576	2,269
Revenue recognised during the year	(1,570)	(2,792)
Closing balance	3,033	2,027

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$22,806 thousand as at 30 June 2022 (\$22,328 thousand as at 30 June 2021) and is expected to be recognised as revenue in the future periods as follows:

	Consolidated	
	2022 \$'000	2021 \$'000
Within 12 months	14,661	14,815
Over 12 months	8,145	7,513
	22,806	22,328

Note 16. Employee benefits

	Consolidated	
	2022 \$'000	2021 \$'000
Current liabilities		
Annual leave	2,115	1,531
Long service leave	150	172
	2,265	1,703
Non-current liabilities		
Long service leave	130	-
	2,395	1,703

Note 17. Lease liabilities

	Consolidated	
	2022 \$'000	2021 \$'000
Current liabilities		
Lease liabilities	915	605
Non-current liabilities		
Lease liabilities	225	2,216
	1,140	2,821

Note 18. Issued capital

Consolidated	Consolidated			
	2022 Shares	2021 Shares	2022 \$'000	2021 \$'000
Ordinary shares – fully paid	117,733,330	116,911,275	136,305	135,413

Details	Date	Shares	\$'000
Balance	30 Jun 2020	103,834,402	90,362
Shares issued on exercise of options	16-Aug-20	41,236	15
Shares issued on exercise of options	23-Sep-20	45,429	16
Shares issued on exercise of options	30-Sep-20	297,594	63
Shares issued on exercise of options	7-Oct-20	42,653	17
Shares issued on exercise of options	19-Jan-21	28,884	7
Issue of shares on capital raising	8-Mar-21	12,091,010	45,341
Shares issued on exercise of performance rights	8-Mar-21	345,196	-
Issue of shares on capital raising	26-Mar-21	162,710	610
Shares issued on exercise of options	9-Apr-21	6,240	2
Shares issued on exercise of options	7-Jun-21	15,921	6
Share issue transaction costs, net of tax			(2,002)
Transfer from share-based payment reserve on exercise of options			443
Transfer from share-based payment reserve on exercise of performance rights			533
Balance	30-Jun-21	116,911,275	135,413
Shares issued on exercise of options	30-Sep-21	670,764	-
Shares issued on exercise of options	12-Oct-21	129,315	-
Shares issued on exercise of options	6-Apr-22	21,976	9
Transfer from share-based payment reserve on exercise of options			883
Balance	30-Jun-22	117,733,330	136,305

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2021 Annual Report.

Note 19. Reserves

	Consolidated	
	2022 \$'000	2021 \$'000
Foreign currency reserve	(583)	(660)
Share-based payments reserve	4,371	3,223
	3,788	2,563

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movement in reserves

Movements in each class of reserve during the current financial year are set out below:

Consolidated	Foreign currency \$'000	Share-based payments \$'000	Total \$'000
Balance at 1 July 2020	(648)	2,676	2,028
Foreign currency translation	(12)	-	(12)
Share-based payments	-	1,523	1,523
Transfer to share capital	-	(976)	(976)
Balance at 30 June 2021	(660)	3,223	2,563
Foreign currency translation	77	-	77
Share-based payments	-	2,031	2,031
Transfer to share capital	-	(883)	(883)
Balance at 30 June 2022	(583)	4,371	3,788

Note 20. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 21. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. The Group's Finance team reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The Group is not exposed to any significant foreign currency risk, except for translation of financial assets and liabilities of foreign subsidiaries into presentation currency.

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group is not exposed to any significant interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using calculated rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	One year or less \$'000	Between one and five years \$'000	Over five years \$'000	Remaining contractual maturities \$'000
Consolidated 2022				
Non-derivatives				
Non-interest bearing	-	-	-	-
Trade payables	4,191	-	-	4,191
Commissions payable	1,905	1,292	-	3,197
Other payables	5,747	-	-	5,747
Contract liabilities	2,966	67	-	3,033
Interest-bearing – fixed rate				
Lease liability	1,309	313	-	1,622
Total non-derivatives	16,118	1,672	-	17,790
Consolidated 2021				
Non-derivatives				
Non-interest bearing	-	-	-	-
Trade payables	5,466	-	-	5,466
Commissions payable	1,699	917	-	2,616
Other payables	5,458	-	-	5,458
Contract liabilities	1,871	156	-	2,027
Interest-bearing – fixed rate				
Lease liability	968	2,773	396	4,137
Total non-derivatives	15,462	3,846	396	19,704

Note 22. Fair value measurement

There were no assets and liabilities carried at fair value as at 30 June 2022 and 30 June 2021.

The carrying amounts of trade and other receivables and trade and other payables approximate their fair values due to their short-term nature.

Note 23. Key management personnel disclosures

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2022	2021
	\$'000	\$'000
Short-term employee benefits	3,023	2,368
Post-employment benefits	80	75
Share-based payments	915	1,151
	4,018	3,594

Note 24. Remuneration of auditors

	Consolidated	
	2021	2021
	\$'000	\$'000
Audit services – Ernst & Young		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	332	310
Other services – Ernst & Young		
Other assurance services	-	-
Total fees to Ernst & Young Australia	332	310
Fees to overseas member firms of Ernst & Young		
Fees for auditing the financial report of any controlled entities	21	21
Total Fees to overseas member firms of Ernst & Young	21	21
Total auditor's remuneration	353	331

Note 25. Contingent liabilities

There are no contingent liabilities as at 30 June 2022 and 30 June 2021.

Note 26. Related party transactions

Parent entity

Whispir Limited is the parent entity and ultimate parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 28.

Key management personnel

Disclosures relating to key management personnel are set out in note 23 and the remuneration report included in the Directors' Report.

Transactions with related parties

The Group provides the Whispir platform and associated services to two companies of which Whispir Chairman Brendan Fleiter is Chairman and a Non-executive Director; Kennards Hire and Interactive. The services to both companies were provided through channel partners on normal commercial terms and conditions.

The Group provides the Whispir platform and associated services to and receives platform associated services from Sauce Labs of which Whispir Non-Executive Director Aled Miles is President and CEO. The services provided to this company are provided on normal commercial terms and conditions.

	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Consolidated 2022	\$'000	\$'000	\$'000	\$'000
Interactive	69	-	7	-
Kennards	78	-	6	-
Sauce Labs	130	190	-	-
Total transactions with related parties	277	190	13	-

	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Consolidated 2021	\$'000	\$'000	\$'000	\$'000
Interactive	79	-	7	-
Kennards	91	-	6	-
Sauce Labs	69	-	11	-
Total transactions with related parties	239	-	24	-

There were no other transactions with related parties in FY22.

Terms and conditions

All transactions were made under normal commercial terms and conditions and at market rates.

Note 27. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of Profit or Loss and Other Comprehensive Income

	Parent	
	2022 \$'000	2021 \$'000
Loss after income tax	(3,798)	(3,363)
Total comprehensive loss	(3,798)	(3,363)

Statement of Financial Position

	Parent	
	2022 \$'000	2021 \$'000
Total current assets	22,542	47,015
Total assets	107,461	110,546
Total current liabilities	607	395
Total liabilities	607	395
Equity		
Issued capital	137,217	136,327
Reserves	4,857	3,709
Accumulated losses	(35,220)	(29,885)
Total equity	106,854	110,151

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 28. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the Group's accounting policy which are in accordance with Australian Accounting Standards and International Financial Reporting Standards:

		Ownership interest	
		2022	2021
		%	%
Whispir Australia Pty Ltd	Australia	100%	100%
Whispir ESOP Nominees Pty Ltd	Australia	100%	100%
Whispir Nominees No.2 Pty Ltd	Australia	100%	100%
Whispir Holdings Pte Ltd	Singapore	100%	100%
Whispir Pte Ltd	Singapore	100%	100%
Whispir Holdings Inc	United States of America	100%	100%
Whispir Americas Inc	United States of America	100%	100%

Note 29. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

		Consolidated	
		2022	2021
		\$'000	\$'000
Loss after income tax expense for the year		(19,436)	(9,654)
Adjustments for non-cash items:			
Depreciation and amortisation		6,822	6,396
Share-based payments		2,031	1,523
Foreign exchange differences		-	(12)
Interest expense		-	457
Gain on finance lease		(159)	-
Change in operating assets and liabilities:			
Decrease/(increase) in trade and other receivables		557	(967)
Decrease/(increase) in prepayments		(490)	(433)
Decrease/(increase) in contract acquisition costs		(2,181)	(3,133)
Increase/(decrease) in trade and other payables		(514)	3,330
Increase/(decrease) in employee benefits		692	415
Increase/(decrease) in contract liabilities		1,006	(1209)
Net cash used in operating activities		(11,672)	(3,287)

Note 30. Earnings per share

Consolidated		
	2022 \$'000	2021 \$'000
Loss after income tax attributable to the owners of Whispir Limited	(19,436)	(9,654)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	117,510,556	108,101,051
Weighted average number of ordinary shares used in calculating diluted earnings per share	117,510,556	108,101,051

	Cents	Cents
Basic Earnings Per Share	(16.54)	(8.93)
Diluted Earnings Per Share	(16.54)	(8.93)

Stock options and performance rights are excluded from calculation of dilutive earnings per share as they were anti-dilutive.

There are no adjustments in relation to the effects of all dilutive potential ordinary shares due to the current loss-making position of the Group.

Note 31. Share-based payments

The Group has stock options and performance rights to incentivise employees and key management personnel. The share-based payment expense for the year was \$2,031 thousand (2021: \$1,523 thousand).

Share option plan:

During the financial year 425,668 options were granted (2021: nil)

The following table illustrates the number of options and weighted average exercise prices ('WEAP') of, and movements in, share options during the year:

Movement in share options	Number 2022	Number 2021	WAEP 2022	WAEP 2021
Balance at the beginning of the year	1,495,726	2,044,999	\$0.34	\$0.35
Options granted during the year	425,668	-	\$0.00	-
Forfeited during the year	(375,335)	(71,316)	\$0.11	\$0.35
Exercised during the year	(822,055)	(477,957)	\$0.35	\$0.26
Expired during the year	-	-	-	-
Balance at the end of the year	724,004	1,495,726	-	-

256,413 options have vested and are exercisable as at 30 June 2022 (2021: 913,722). The weighted average remaining contractual life of options outstanding at the end of the financial year was 10.9 years (2021: 11.4 years).

The range of exercise prices for options outstanding at the end of the year was \$0.00 to \$0.353 (2021: \$0.00 to \$0.353). The weighted average share price during the financial year was \$1.94 (2021: \$3.51).

Vesting requirements and the method of settlement:

Options were issued to employees (including key management) under the arrangement. Awards are made to employees and are delivered in the form of options over fully paid ordinary shares. Employees will only be allocated awards and become entitled to an equity interest in the Company if the service based vesting conditions are met:

The service-based vesting condition in respect of the awards will be satisfied if the employee continues to be employed by the Company. 1/3 of options will vest on the first anniversary of the grant date; and in respect of the remaining 2/3 of the options, 1/36th will vest each calendar month of the 36 month period commencing from the first anniversary of the grant date.

For legacy options issued in 2017 and 2018, service-based vesting conditions in respect of the awards were satisfied if the employee continued to be employed by the Company. 1/4 of options vested on the first anniversary of the grant date and in respect of the remaining 3/4 of the options, 1/36th vested each calendar month of the 36 month period commencing from the first anniversary of the grant date.

For key and senior management personnel, the awards will lapse on the earlier of fifteen years from the grant date and any of the vesting conditions not being met. For other employees, the awards will lapse on the earlier of four years from the grant date and any of the vesting conditions not being met.

The fair value of share options granted is estimated at the date of grant using a Black-Scholes model, taking into account the terms and conditions upon which the share options were granted. The model takes into account expected dividends, expected time to exercise and the current market price of underlying shares.

There are no cash settlement alternatives for the employees except at the discretion of the Group. The Group does not have a past practice of cash settlement for these awards.

Performance rights:

During the financial year 1,024,317 performance rights were granted (2021: 831,161).

Performance conditions:

Non-Executive Director Performance Rights Plan

Under the Non-Executive Director Performance Rights Plan performance rights were granted to Non-Executive Directors. The performance rights granted on 21 November 2019 vest in four equal tranches. The first tranche vested immediately upon issue with the remaining three tranches vesting on 30 June of three subsequent financial years subject to continuity of service at the vesting date.

Key Management Personnel Performance Rights Plan

Under the Key Management Personnel Performance Rights Plan performance rights are granted to Key Management Personnel. The performance rights are subject to service condition (continuity of employment) and performance conditions. The performance rights vest three years after the grant date (2021: three years after the grant date).

The performance conditions are split equally with 50% attached to revenue compound annual growth rate (CAGR) and 50% attached to market performance. For Market performance conditions to vest Total Shareholder Return must be at or above the 50th percentile when compared to the constituents of the bespoke comparator group of ASX-listed tech companies. Awards will vest in full for performance at or above the 80th percentile. Revenue performance conditions require a threshold three-year CAGR of 20% to vest where awards will vest in full for performance at or above a three-year CAGR of 37% (2021: vest in full for performance at or above a three-year CAGR of 37%).

Senior Management Personnel Performance Rights Plan

Under the Senior Management Personnel Performance Rights Plan performance rights are granted to Senior Management Personnel. The performance rights are subject to service condition (continuity of employment) and revenue performance conditions and vest on the 30 June 2024 (2021: 30 June 2023). Revenue performance conditions require a threshold three-year CAGR of 20% to vest where awards will vest in full for performance at or above a three-year CAGR of 30% (2021: three-year CAGR of 30%). For performance rights subject to revenue and service targets (non-market), the fair value equals to the spot price, minus the expected dividends. Since the company is not expected to pay dividends in the near future, its fair value will be the spot price.

Movement in Performance Rights	Number 2022	Number 2021
Balance at the beginning of the year	1,765,540	1,404,054
Performance rights granted during the year	1,024,317	831,161
Forfeited during the year	(40,839)	(124,479)
Exercised during the year	-	(345,196)
Expired during the year	-	-
	2,749,018	1,765,540

Performance rights exercisable as at 30 June 2022 were 140,000 (2021: 105,000). The weighted average remaining contractual life of performance rights outstanding at the end of the financial period was 12.5 years (2021: 13.6)

Note 32. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

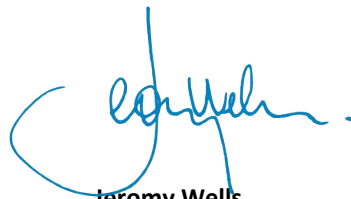
The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Brendan Fleiter
Chairman and Non-Executive Director



Jeromy Wells
Chief Executive Officer

Melbourne
17 August 2022

Independent Auditor's Report to the Members of Whispir Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Whispir Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Capitalisation of development costs

Why significant	How our audit addressed the key audit matter
<p>Software development is core to the Group's operations and requires judgement as to whether it meets the capitalisation criteria of AASB 138 <i>Intangible Assets</i>. The carrying value of capitalised development costs at 30 June 2022 is \$15.7 million and \$8.6 million was capitalised during the year as disclosed in Note 12.</p> <p>The capitalisation of internally generated intangible assets was considered a key audit matter due to the significant management judgements, including:</p> <ul style="list-style-type: none"> ▶ Whether the costs incurred relate to research costs that should be expensed or development costs that are eligible for capitalisation; ▶ The assessment of future economic benefits and the technical feasibility of the product; and ▶ The timing of amortisation and the useful lives for projects. 	<p>We performed the following procedures in respect of the development expenditure capitalised:</p> <ul style="list-style-type: none"> ▶ We tested the capitalisation approach taken by the Group during the year for consistency with the Group's accounting policies and for compliance with Australian Accounting Standards. ▶ We tested the control associated with the approval of individual employee and team capitalisation rates by the Chief Technology Officer and Head of Product. ▶ We have met the project managers, to understand the project status and assess the feasibility of completion. ▶ We tested the mathematical accuracy of the Group's capitalised development expenditure models and evaluated the key assumptions. ▶ For a sample of capitalised costs we tested whether they were appropriately supported by invoices in the case of external consultant costs and underlying payroll records in the case of capitalised employee costs and that these costs were attributable to the development phase of the project. ▶ In respect of completed projects, we assessed the useful life and amortisation rate applied to these projects and recalculated the amortization expense for the period. ▶ We assessed the adequacy of the related disclosures made in the financial report.

2. Revenue recognition from contract liabilities

Why significant	How our audit addressed the key audit matter
<p>The contractual billing arrangements with certain customers result in deferred revenue, as recorded within contract liabilities within the Statement of Financial Position, as invoices are issued in advance of the Group's performance obligations being satisfied. The balance of contract liabilities as at 30 June 2022 is \$3.0 million, as disclosed in Note 15.</p> <p>Revenue recognition from contract liabilities was considered a key audit matter due to the judgment required with respect to the timing of recognition.</p>	<p>We performed the following procedures in respect of the revenue recognised in the year:</p> <ul style="list-style-type: none"> ▶ For a sample of revenue contracts and transactions during the year we assessed the timing of revenue recognised and deferred in accordance with accounting standards and the terms of the underlying contract.

Why significant	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> ▶ We used data analytic techniques on revenue transactions recognised for the year to test the correlation of revenue to accounts receivable to cash as well as accounts receivable to deferred revenue. ▶ We tested the mathematical accuracy of the deferred revenue schedules. ▶ We assessed the adequacy of the revenue and contract liabilities disclosures made in the financial report.

Information Other than the Financial Report and Auditor's Report

The directors are responsible for the other information. The other information comprises the information included in the Company's 2021 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

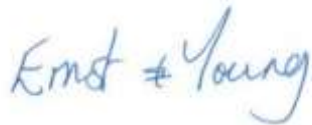
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 28 of the directors' report for the year ended 30 June 2022

In our opinion, the Remuneration Report of Whispir Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young



David McGregor
Partner
Melbourne
17 August 2022