

## APPENDIX 4D

### INTERIM REPORT

#### RESULTS FOR ANNOUNCEMENT TO MARKET

Name of entity: Whispir Limited  
ABN: 89 097 654 656  
Reporting period: Half year ended 31 December 2022  
Previous period: Half year ended 31 December 2021

	\$'000	
Revenue from ordinary activities	28,754	Down 27.1%
Loss from ordinary activities after tax attributable to the owners of Whispir Limited	(13,731)	Up 96.3%
Loss from ordinary activities attributable to the owners of Whispir Limited	(13,457)	Up 92.4%

#### DIVIDENDS

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

#### COMMENTS

Refer to 'Review of operations' in the Directors' Report for detailed commentary.

	31 December 2022	31 December 2021
Net tangible assets per ordinary security (cents)	6.12	28.91

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

#### AUDIT QUALIFICATION OR REVIEW

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

#### ATTACHMENTS

The Interim Report of Whispir Limited for the half-year ended 31 December 2022 is attached.



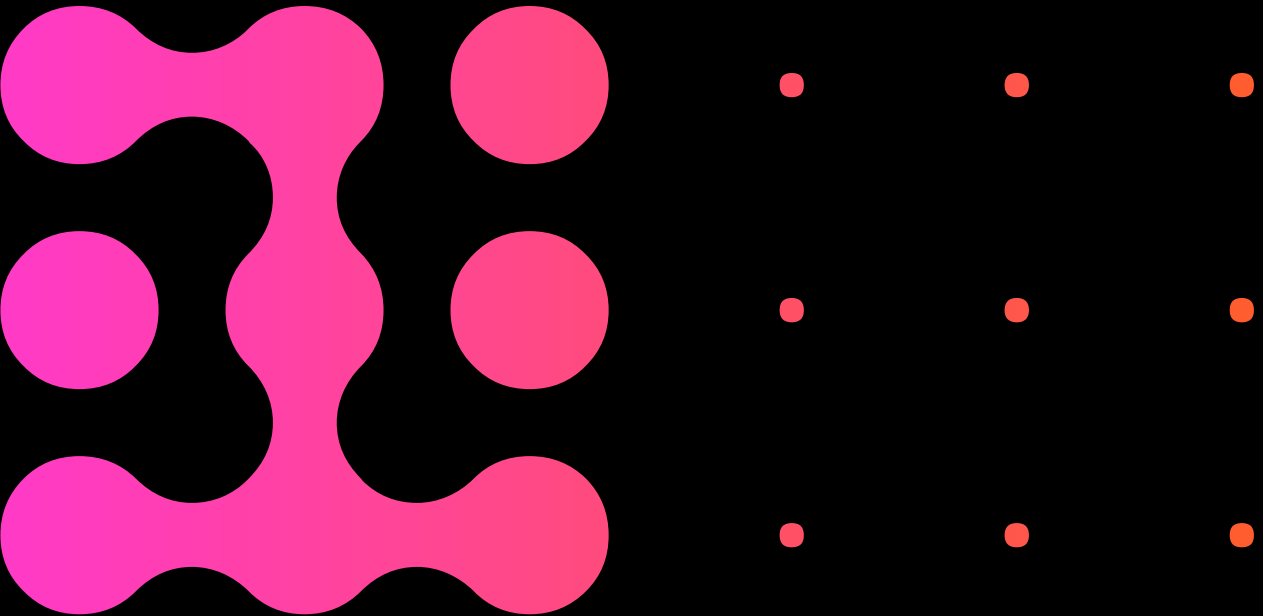
## Interim Report – February 2023

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Section 1.

Directors' Report



## 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 half-year ended 31 December 2022.

### Directors

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

Brendan Fleiter (Chair)	
Jeromy Wells (Chief Executive Officer)	
Sarah Morgan	
Sara La Mela	
Aled Miles	
Scott Tong	Resigned 23 November 2022

### Principal activities

The principal continuing activities of the Group is supplying a no code, Communications-as-a-Service ("CaaS") platform that enables seamless omnichannel interactions between organisations, their systems, and their people to solve common challenges in terms of compliance, deliverability, and engagement. Whispir operates across three key regions of ANZ, Asia, and North America.

### Review of operations

Like many other technology companies around the world the first half of this financial year was challenging for Whispir. Revenue derived from Australian State-based health authorities as they dealt with COVID-19 diminished, and global macro-economic conditions led to a decline in business confidence which has slowed sales cycles and caused a re-rating of many technology company valuations. As a result of these factors, Whispir implemented a restructure in November 2022 to accelerate the path to profitability and free cash flow breakeven. The full benefits of the restructure will be evident in the second half of the financial year. The Company has also implemented strategies to diversify sales into other regions and sectors, most notably through new partnership agreements in Asia.

### Operating and financial review

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

Consolidated	31 Dec 2022 \$'000	31 Dec 2021 \$'000	Change \$'000	Change %
Total revenue	28,754	39,420	(10,666)	-27.1%
Cost of services	(11,897)	(16,384)	4,487	-27.4%
Gross profit	16,857	23,036	(6,179)	-26.8%
Gross margin %	58.6%	58.4%	na	0.2%
Operating expenses	(30,601)	(29,945)	(656)	2.2%
Net interest and tax income/(expense)	13	(85)	98	-115.3%
Net loss after tax	(13,731)	(6,994)	(6,737)	96.3%

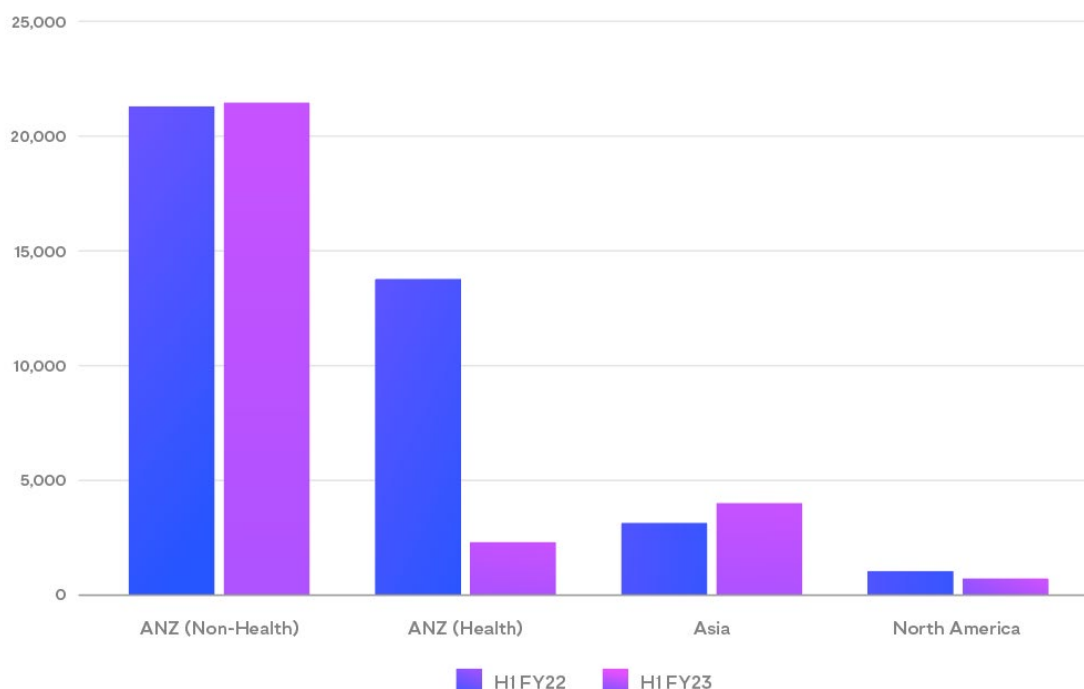
<i>Add back:</i>				
- Depreciation and amortisation	4,164	2,309	1,855	80.4%
- Net interest and tax income/(expense)	(13)	85	(98)	-115.3%
- Share-based payments	805	950	(145)	-15.3%
EBITDA (excluding non-cash share-based payments)	(8,775)	(3,650)	(5,125)	140.4%

## Revenue

Total revenue decreased by \$10,666k (27.1%) to \$28,754k for the half year to 31 December 2022, compared to the PCP. Much of this decrease was due to the decline of the COVID-19 vaccine related revenue (totalling \$11,430k) from three major State-based health authorities. This was partially offset by growth across most other industries of \$764k.

The Group operates in three reporting segments – ANZ, Asia, and North America. Each region is discussed below.

### Revenue by region



*\*Health includes Victoria Department of Health and Human Services, eHealth New South Wales, and Queensland Health*

ANZ, the Company's most mature region, has seen a fall in revenues this half compared to the PCP of \$11,238k (82%) because of COVID-19 vaccine related revenue largely coming to an end, as noted above. When excluding this market segment, the remainder of the ANZ region was largely flat, with 1% growth of \$192k. This result is due to macro-economic conditions, such as increased inflation, which has seen many of our customers pause on their own expansion plans and therefore there has not been the usual uptick in usage of the Whispir platform this half.

Asia, in contrast to ANZ, is starting to improve and there has been a lot of positive sales activity, new channel partnerships, and the sales pipeline continues to build. This region posted a revenue result that is up \$819k, 26%, over the PCP.

North America has seen revenue fall this half by \$247k (23%). This region's result was impacted by the loss of two major customers this half. However, overall, customer growth has continued in this region and the second quarter has produced a strong result when compared to the first quarter as evidence of this trend.

Refer to note 4 to the financial statements for further information regarding the operating segments.

### **Gross margin and gross profit**

Gross margins of 58.6% were slightly improved compared with the PCP of 58.4%, due to the slight change in revenue mix, continued focus on realising productivity improvements, and economies of scale in developing regions. However, the decline in revenue had a corresponding impact on gross profit which reduced by \$6,179k (26.8%) to \$16,857k.

### **Operating expenses**

Operating expenses marginally increased by 656k (2.2%) to \$30,601k and include \$1.127k of redundancy expenses as part of the recently implemented restructure. With redundancy costs excluded, operating expenses decreased by \$471k or 1.6%. Notably, research and development (R&D) expenses increased as product innovation remains a core focus, whilst general and administrative (G&A) expenses decreased as the business operations become more efficient and economies of scale begin to emerge.

Sales and marketing expense increased slightly by \$329k (2.7%) to \$12,372k, which includes \$220k of redundancy expense as inside sales teams were restructured across the globe. This result is in line with expectations as the Group continues to focus on revenue growth.

R&D expenses increased by \$1,744k (27.6%) to \$8,056k. Included in this increase is \$634k of redundancy expense. The Group capitalised a further \$3,417k of R&D expenditure, taking the Group's total investment in R&D to \$11,473k compared to \$10,407k for the PCP. This investment represents 39.9% of revenue (26.4% for the PCP), demonstrating that product innovation is a key objective of the Group to ensure its customers are provided with leading edge technology that is competitively priced.

G&A expenses decreased by \$1,417k (12.2%) to \$10,173k. Included in this amount is \$273k of redundancy expense. The overall decrease is a result of a significant reduction of headcount in administrative support functions as part of the restructure, which resulted G&A labour costs decreasing by \$1,612k (24.4%), as the business becomes more leaner and more efficient.

### **Profitability**

EBITDA (excluding share-based payments) losses increased by \$5,125k (140.4%) to \$8,775k mainly due to the fall in gross profit.

The loss for the Group after providing for income tax for the current period increased from \$6,994k (96.3%) to \$13,731k (31 December 2021: \$6,994k).

### **Financial position**

Whispir closed the half year with a cash balance of \$9,433k (30 June 2022: \$26,077k) and no debt. The Group reported negative free cash flows (cash flows from operating and investing activities) for the period of \$16,134k, an increase of \$5,489k over the PCP (51.1%), which is in line with expectations given the fall in revenues compared with the PCP. Cash receipts were down 29.9% from \$41,737k to \$29,256k broadly in line with the decrease in revenues for the period. Positively offsetting the decline in cash receipts was a corresponding decrease in payments to suppliers and employees of \$5,788k (12.2%) to \$41,851k as carrier costs fall with the associated decline in transactional volumes.

In December 2022, the Group executed a restructuring which has seen its cost base fall significantly. This new reduced cost base, combined with achieving forecast revenues, is expected to translate to a positive free cash flow result following the third quarter of FY 2023.

## Business growth strategy and likely developments

The Group continues to be focused on delivering growth as it transitions to a positive cash flow generation business, with a strategy that includes:

- increasing automation, enabling customers to extract value from the platform faster;
- evolving to a 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; and
- enhancing its proven channel sales capabilities and developing new partnerships with system integrators and value add resellers.

## 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.

## 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 half year

### Lease

In March 2022, the Group entered into a seven-year lease agreement commencing 1 January 2023 for its head office located in Melbourne. A right-of-use asset and corresponding lease liability of \$3,580k will be recognised in January 2023.

### North America region update

As at the date of this report, the Directors' have approved the strategic proposal to withdraw the majority of the Company's sales and marketing resources from the North American market in order to prioritise and focus on the Company's profitable ANZ core and Asian growth opportunities. This decision has been made after a rigorous review of the North America region's past financial performance, current pipeline, and market conditions in general. A core team will remain, together with data centre infrastructure, to service the region's existing customers.



### Related party transaction

On 16 February 2023, the Company entered into a loan agreement with the Chief Executive Officer, Mr. Jeromy Wells, who is a related party to the Group for the purpose of settling personal income tax as a result of transferring his employment from Singapore to Australia. The loan is made on an arm's length basis, and has the following key terms:

- Commencement date of 27 January 2023
- Principal is \$345,155.80
- Interest rate of 8% per annum
- Maturity date of 30 June 2023
- Loan is secured by an unregistered second mortgage over a property owned by the Guarantor to the loan, Mrs Jano Wells.

Other than items noted above, no other matter or circumstance has arisen since 31 December 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.

### 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.

### 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.

### 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

PwC has been appointed as auditor 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**

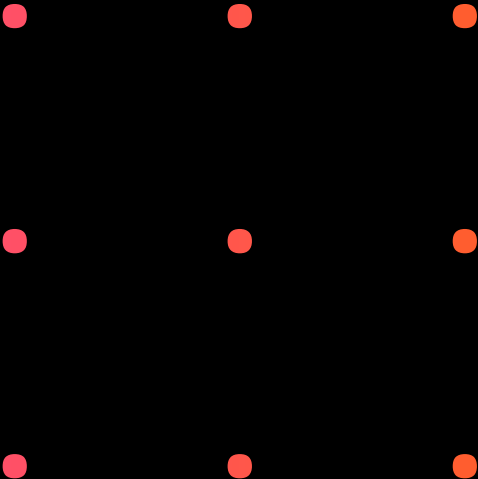
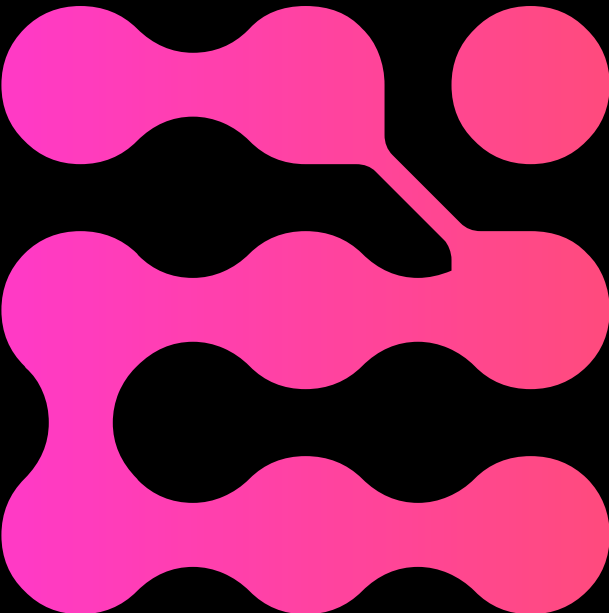
Chief Executive Officer

**Melbourne**

17 February 2023

Section 2.

# Auditor’s Independence Declaration





## Auditor's Independence Declaration

As lead auditor for the review of Whispir Limited for the half-year ended 31 December 2022, I declare that 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'Niamh Hussey'.

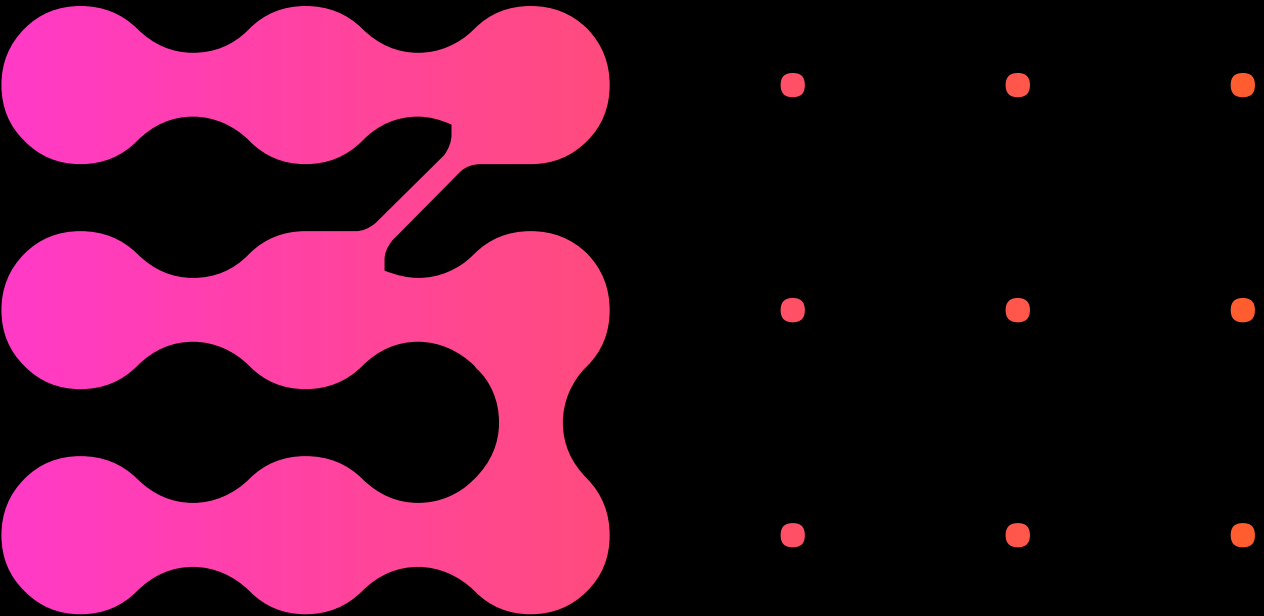
Niamh Hussey  
Partner  
PricewaterhouseCoopers

Melbourne  
17 February 2023

Section 3.

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Consolidated  
Statement of Profit  
or Loss and Other  
Comprehensive Income



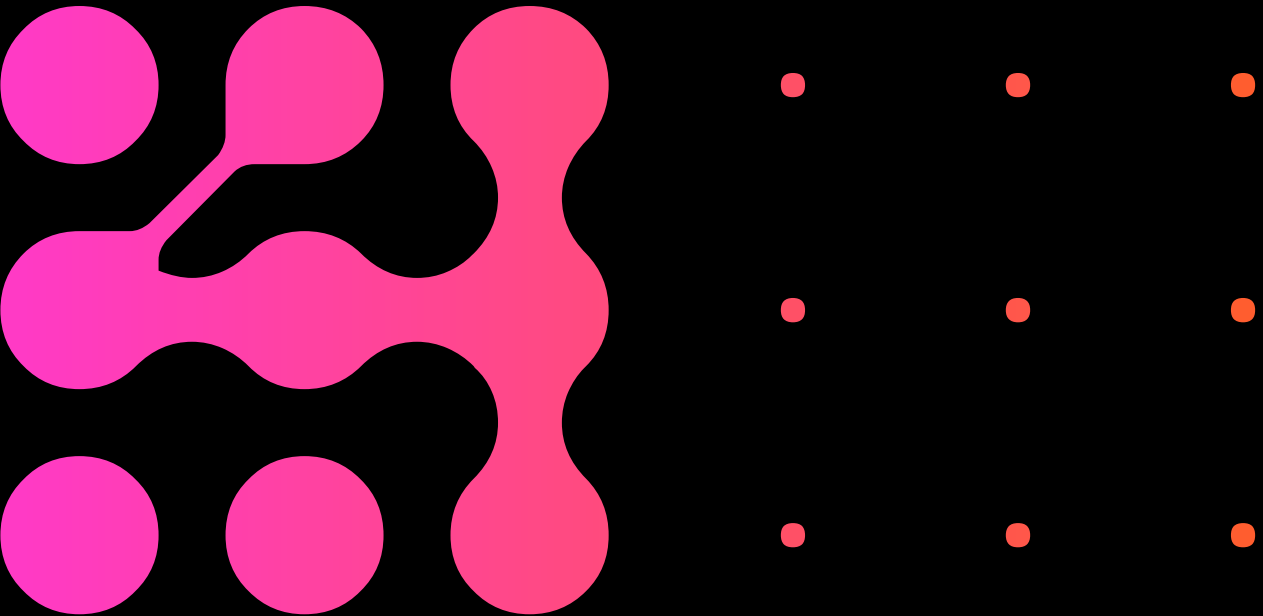
## For the half-year ended 31 December 2022

		Consolidated	
	Note	31 Dec 2022 \$'000	31 Dec 2021 \$'000
<b>Revenue</b>			
Software revenue		28,180	38,824
Professional services revenue		574	596
<b>Total revenue</b>	<b>5</b>	<b>28,754</b>	<b>39,420</b>
Cost of services		(11,897)	(16,384)
<b>Gross profit</b>		<b>16,857</b>	<b>23,036</b>
Interest revenue		53	141
<b>Expenses</b>			
Sales and marketing		(12,372)	(12,043)
Research and development		(8,056)	(6,314)
General and administration		(10,173)	(11,588)
Finance costs		(38)	(224)
<b>Total expenses</b>	<b>6</b>	<b>(30,639)</b>	<b>(30,169)</b>
<b>(Loss) before income tax expense</b>		<b>(13,729)</b>	<b>(6,992)</b>
Income tax expense		(2)	(2)
<b>(Loss) after income tax expense attributable to the owners of Whispir Limited</b>		<b>(13,731)</b>	<b>(6,994)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		274	1
Other comprehensive income net of tax		274	1
<b>Total comprehensive loss attributable to the owners of Whispir Limited</b>		<b>(13,457)</b>	<b>(6,993)</b>
Basic earnings per share	<b>15</b>	<b>(11.64)</b>	<b>(5.96)</b>
Diluted earnings per share	<b>15</b>	<b>(11.64)</b>	<b>(5.96)</b>

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

Section 4.

Consolidated Statement  
of Financial Position



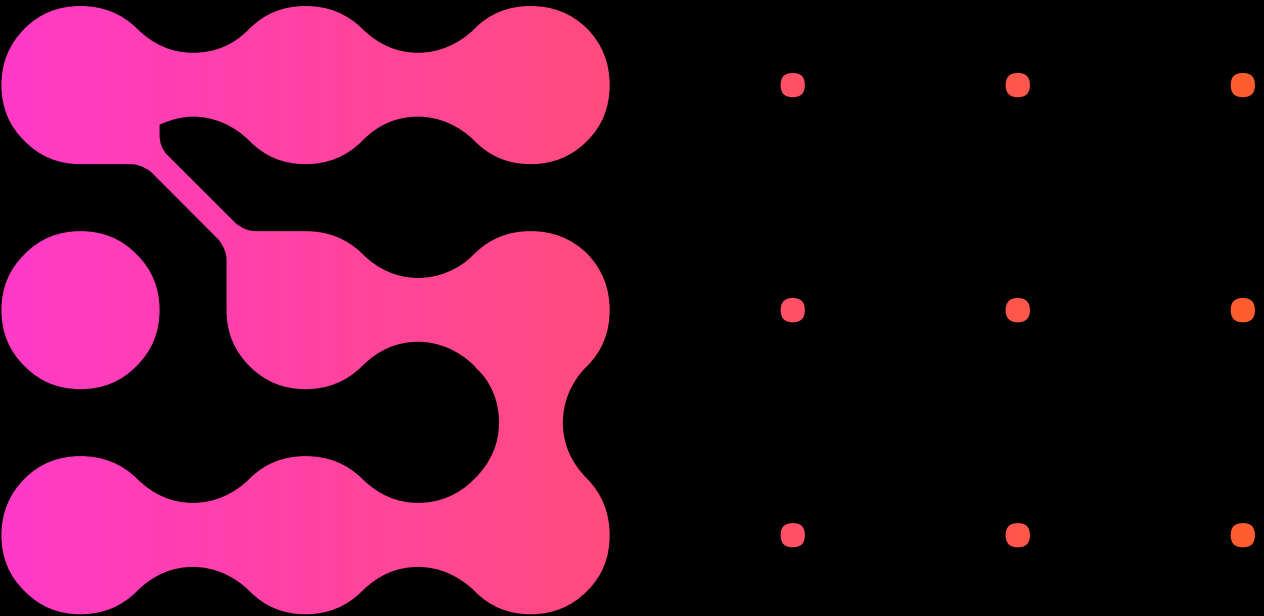
As at 31 December 2022

		Consolidated	
	Note	31 Dec 2022 \$'000	30 June 2022 (Restated) \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	9,433	26,077
Trade and other receivables	8	6,822	6,265
Prepayments		2,622	2,190
Contract acquisition costs		-	679
Interest bearing assets		1,934	1,957
<b>Total current assets</b>		<b>20,810</b>	<b>37,168</b>
<b>Non-current assets</b>			
Property, plant and equipment		2,070	1,266
Intangibles	9	16,702	15,725
Right-of-use assets		1,795	656
Contract acquisition costs		-	268
<b>Total non-current assets</b>		<b>20,567</b>	<b>17,915</b>
<b>Total assets</b>		<b>41,377</b>	<b>55,083</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	9,624	10,145
Contract liabilities		1,941	2,966
Provisions		1,852	2,265
Lease liabilities		491	915
<b>Total current liabilities</b>		<b>13,908</b>	<b>16,291</b>
<b>Non-current liabilities</b>			
Trade and other payables	10	-	-
Contract liabilities		26	67
Provisions		65	130
Lease liabilities		1,646	225
<b>Total non-current liabilities</b>		<b>1,737</b>	<b>422</b>
<b>Total liabilities</b>		<b>15,645</b>	<b>16,713</b>
<b>Net assets</b>		<b>25,732</b>	<b>38,370</b>
<b>Equity</b>			
Issued capital	11	136,319	136,305
Reserves	12	4,867	3,788
Accumulated losses		(115,454)	(101,723)
<b>Total equity</b>		<b>25,732</b>	<b>38,370</b>

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

Section 5.

# Consolidated Statement of Changes in Equity





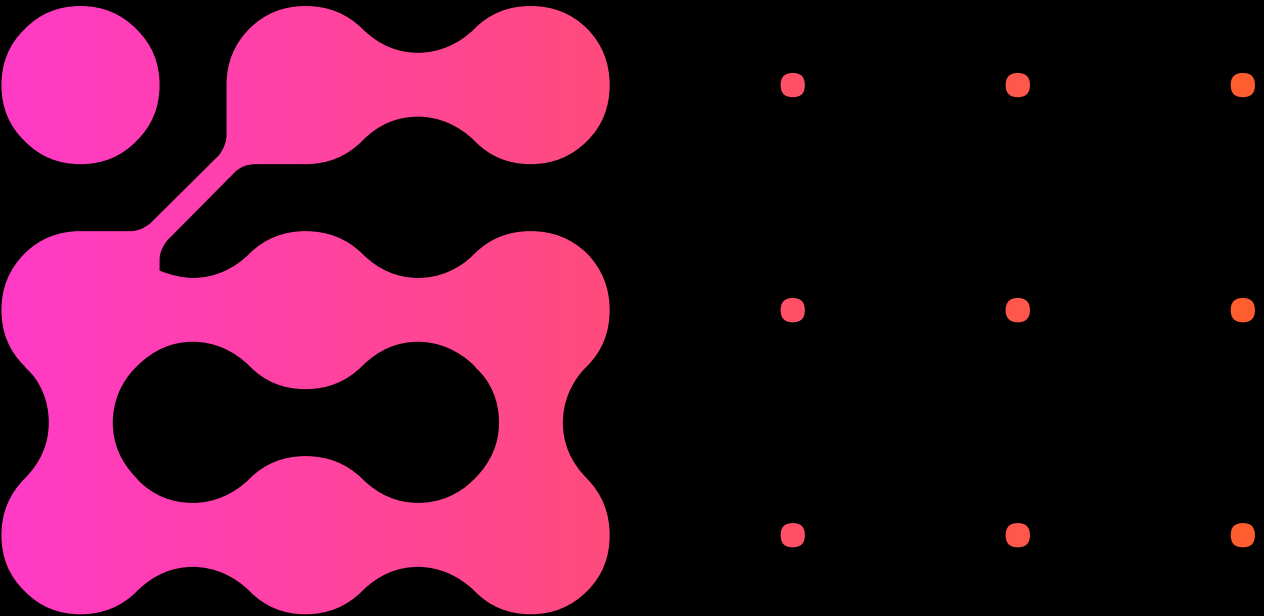
## For the half-year ended 31 December 2022

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 half-year	-	-	(6,994)	(6,994)
Other comprehensive income for the half-year, net of tax	-	1	-	1
<b>Total comprehensive income for the half year</b>	<b>-</b>	<b>1</b>	<b>(6,994)</b>	<b>(6,993)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity, net of transaction costs	9	-	-	9
Share-based payments	-	950	-	950
Transfer upon exercise of options	778	(778)	-	-
Balance at 31 December 2021	136,200	2,736	(89,280)	49,656
Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2022	136,305	3,788	(101,723)	38,370
Loss after income tax expense for the half-year	-	-	(13,731)	(13,731)
Other comprehensive income for the half-year, net of tax	-	274	-	274
<b>Total comprehensive income for the half year</b>	<b>-</b>	<b>274</b>	<b>(13,731)</b>	<b>(13,457)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity, net of transaction costs	14	-	-	14
Share-based payments	-	805	-	805
Balance at 31 December 2022	136,319	4,867	(115,454)	25,732

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

Section 6.

# Consolidated Statement of Cash Flows



## For the half-year ended 31 Dec 2022

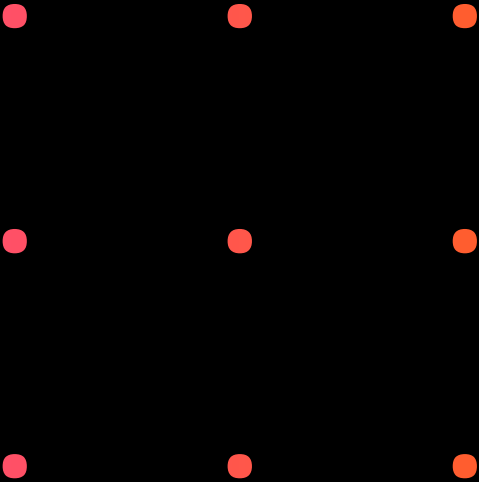
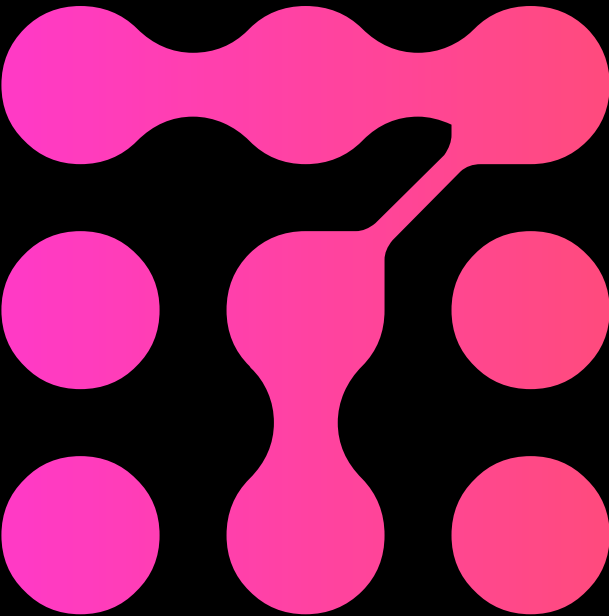
		Consolidated	
	Note	31 Dec 2022 \$'000	31 Dec 2021 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		29,265	41,737
Payment to suppliers and employees		(41,851)	(47,639)
Interest received		62	141
Interest and other finance costs paid		(37)	(219)
Income tax received / (paid)		10	(2)
<b>Net cash used in operating activities</b>		<b>(12,551)</b>	<b>(5,982)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(105)	(438)
Payments for intangibles	9	(3,417)	(4,093)
Payments from/(for) security deposits		(61)	(162)
<b>Net cash used in investing activities</b>		<b>(3,583)</b>	<b>(4,693)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the exercise of options	11	14	9
Repayment of lease liabilities		(598)	(387)
<b>Net cash used in financing activities</b>		<b>(584)</b>	<b>(378)</b>
Net decrease in cash and cash equivalents		(16,719)	(11,053)
Cash and cash equivalents at the beginning of the period		26,077	49,173
Effects of exchange rate changes on cash and cash equivalents		75	1
<b>Cash and cash equivalents at the end of the period</b>	7	<b>9,433</b>	<b>38,121</b>

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

Section 7.

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# Notes to the Consolidated Financial Statements



## 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 financial half-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 29, 385 Bourke Street  
Melbourne VIC 3000  
Australia

## Note 2. Significant accounting policies

### Basis of preparation

This consolidated interim Financial Report for the half-year reporting period ended 31 December 2022 has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This consolidated interim Financial Report does not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

In the interests of enhancing the users' understanding of the business, an additional disclosure defining the nature of cost of services has been added to the half year financial report.

### Presentation of results

The Group has presented the expense categories within the consolidated statement of profit or loss on a functional basis. The categories used are cost of goods sold, research and development, sales and marketing, and general and administration. The presentation style provides insight into the Company's business model and enables users to consider the results of the Group compared to other major software companies.

Cost of services consists of expenses directly associated with securely hosting and facilitating the Group's platform and its associated services and providing support to customers. Costs include third party carrier costs, data centre costs, and personnel and related costs directly associated with platform infrastructure and customer consulting.

### Going concern

The financial statements have been prepared on a going concern basis, which incorporates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As disclosed in the financial statements, the Group incurred a net loss after tax of \$13,731k and had a net cash outflow of \$16,719k. As at 31 December 2022, the Group had a working capital position of \$6,902k. The Group has no debt and non-current liabilities (largely lease liabilities) of \$1,797k.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements due to the following factors:

- Cashflow forecasts prepared by management indicate stabilisation of the cash balance by the end of the financial year following a successful restructure;
- Management expects to be able to continue to derive revenue growth from its installation base and new channel partners;
- the Group can scale down its operations in order to curtail expenditure, in the event that insufficient cash is available to meet projected expenditure.

Based on the factors outlined above, the Directors are satisfied that the going concern basis of preparation is appropriate.

The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its obligations as and when they fall due.

### Note 3. Adjustment of prior period financial information

Previously a customer acquisition cost asset and liability had been recognised at the inception of the contract for commissions to be paid to resellers under multi-year reseller agreements. As practice has further developed since adoption of AASB 15 Revenue from Contracts with Customers, this policy has been revisited. Following this review, it has been determined that there is an obligation to pay commission to the reseller each month and accordingly, commission costs are expensed in the month they are incurred. In addition, certain commissions owing to resellers have been reclassified into trade and other payables, from trade and other receivables where they were being netted.

The information as at 1 July 2021 and 30 June 2022 have been adjusted to reflect the impact of the above change. As at those dates, except as disclosed in the table below, the change does not have any impact on the consolidated statement of profit and loss and comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, and the consolidated statement of cashflows.

AUD \$'000	30 June 22 (As previously reported)	Adjust- ments	30 June 22 (As adjusted)	1 July 21 (As previously reported)	Adjust- ments	1 July 21 (As adjusted)
Trade and other receivables	5,954	311	6,265	6,511	277	6,788
Contract acquisition costs	2,579	(1,900)	679	2,324	(1,704)	620
<b>Total current assets</b>	<b>38,757</b>	<b>(1,589)</b>	<b>37,168</b>	<b>60,357</b>	<b>(1,427)</b>	<b>58,930</b>
Contract acquisition costs	1,560	(1,292)	268	1,430	(913)	517
<b>Total non-current assets</b>	<b>19,207</b>	<b>(1,292)</b>	<b>17,915</b>	<b>15,424</b>	<b>(913)</b>	<b>14,511</b>
<b>Total assets</b>	<b>57,964</b>	<b>(2,881)</b>	<b>55,083</b>	<b>75,781</b>	<b>(2,340)</b>	<b>73,441</b>
Trade and other payables	11,734	(1,589)	10,145	12,623	(1,427)	11,196
<b>Total current liabilities</b>	<b>17,880</b>	<b>(1,589)</b>	<b>16,291</b>	<b>16,802</b>	<b>(1,427)</b>	<b>15,375</b>
Trade and other payables	1,292	(1,292)	-	917	(913)	4
<b>Total non-current liabilities</b>	<b>1,714</b>	<b>(1,292)</b>	<b>442</b>	<b>3,289</b>	<b>(913)</b>	<b>2,376</b>
<b>Total liabilities</b>	<b>19,594</b>	<b>(2,881)</b>	<b>16,713</b>	<b>20,091</b>	<b>(2,340)</b>	<b>17,751</b>
<b>Net assets</b>	<b>38,370</b>	<b>-</b>	<b>38,370</b>	<b>55,690</b>	<b>-</b>	<b>55,690</b>

## 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 CEO (who is 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 services). 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 the consolidated 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 as follows:

Australia and New Zealand Segment revenue and gross profit are derived principally from the commercialisation of the Group's cloud-based communication management platform and services in Australia and New Zealand.

Asia and the North America 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 overseas markets being 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 reseller in the Australia & New Zealand region that accounted for \$19,413k (68%) of Group revenue.

Consolidated 31 Dec 2022	Australia & New Zealand \$'000	Asia \$'000	North America \$'000	Total \$'000
<b>Revenue</b>				
Sales to external customers	23,920	4,022	812	28,754
Segment gross profit	14,713	1,986	157	16,856
Other revenue				53
Sales and marketing				(12,372)
Research and development				(8,056)
General and administration				(10,173)
Finance costs				(38)
(Loss) before income tax expense				(13,729)
Income tax expense				(2)
(Loss) after income tax expense				(13,731)

Consolidated 31 Dec 2021	Australia & New Zealand \$'000	Asia \$'000	North America \$'000	Total \$'000
<b>Revenue</b>				
Sales to external customers	35,158	3,203	1,059	39,420
Segment gross margin	21,666	1,188	182	23,036
Interest revenue				141
Sales and marketing				(12,326)
Research and development				(6,314)
General and administration				(11,305)
Finance costs				(224)
(Loss) before income tax expense				(6,992)
Income tax expense				(2)
(Loss) after income tax expense				(6,994)

## Note 5. Revenue from contracts with customers

### Disaggregation of revenue

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

	<b>Consolidated</b>	
	<b>31 Dec 2022 \$'000</b>	<b>31 Dec 2021 \$'000</b>
<b>Major product lines</b>		
Platform and software revenue	7,812	7,060
Transactional revenue	20,368	31,764
Professional services and configuration revenue	574	596
	28,754	39,420
<b>Geographical regions</b>		
Australia	23,262	34,368
Singapore	3,744	2,925
North America	812	935
New Zealand	659	790
Indonesia	140	185
Malaysia	77	82
Philippines	57	-
Switzerland*	1	126
Others	2	9
	28,754	39,420
<b>Timing of revenue recognition</b>		
Software and services recognised over time	28,754	39,420

\*Revenue aligned to North American Operating Segment



## Note 6. Expenses

	Consolidated	
	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Loss before income tax includes the following specific expenses:		
<b>Depreciation</b>		
Furniture, fixtures and fittings	131	97
Computer equipment	176	159
Right-of-use assets	454	405
<b>Total depreciation</b>	<b>761</b>	<b>661</b>
<b>Amortisation</b>		
Development expenditure	2,441	1,648
Customer acquisition costs*	962	800
<b>Total amortisation</b>	<b>3,403</b>	<b>2,448</b>
<b>Total depreciation and amortisation</b>	<b>4,164</b>	<b>3,109</b>
<b>Finance costs</b>		
Interest cost on lease	38	219
Other interest	-	5
<b>Finance costs expensed</b>	<b>38</b>	<b>224</b>
<b>Rental expense relating to operating lease</b>		
Expense relating to short-term leases (included in administration expenses)	73	63
Variable lease payments (included in administration expenses)	72	73
<b>Employee benefits expense</b>		
Wages and salaries	17,507	18,090
Redundancy costs	1,143	-
Defined contribution superannuation expense	1,336	1,457
Payroll tax	680	707
Other employee benefits expense	730	1,364
Share-based payments	805	950
<b>Total employee benefits expense</b>	<b>22,201</b>	<b>22,569</b>

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

## Note 7. Cash and cash equivalents

	Consolidated	
	31 Dec 2022 \$'000	30 June 2022 \$'000
<b>Current assets</b>		
Cash at bank	8,922	25,567
Cash on deposit	511	510
	<b>9,433</b>	<b>26,077</b>

## Note 8. Trade and other receivables

	Consolidated	
	31 Dec 2022 \$'000	30 June 2022 \$'000
<b>Current assets</b>		
Trade receivables	6,738	6,040
Less – Allowance for expected credit losses	(339)	(157)
	<b>6,399</b>	<b>5,883</b>
Other receivables	423	382
	<b>6,822</b>	<b>6,265</b>

### Ageing of trade and other receivables

The ageing of trade and other receivables and allowance for expected credit losses reported above is outlined in the table below:

	Expected credit loss rate		Trade & other receivables - carrying amount		Allowance for expected credit losses	
	31 Dec 2022 %	30 June 2022 %	31 Dec 2022 \$'000	30 June 2022 \$'000	31 Dec 2022 \$'000	30 June 2022 \$'000
<b>Consolidated</b>						
0 to 30 days	0.01%	0.01%	5,714	5,360	1	1
31 to 90 days	2.39%	2.08%	329	337	8	7
Over 90 days	47.52%	43.72%	695	343	330	149
			<b>6,738</b>	<b>6,040</b>	<b>339</b>	<b>157</b>

### Allowance for expected credit losses

The Group has recognized an additional \$182k provision for expected credit losses as at 31 December 2022 due to aged receivables in Asia and North America. Whispir generally carries a low provision for credit losses as 73% of revenue is derived through channel partners that accept the end customer credit risk. The expected credit loss below reflects both the direct customer and channel partner positions.

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

	Consolidated	
	31 Dec 2022 \$'000	30 June 2022 \$'000
Opening balance	157	300
Additional provisions recognised	182	-
Amount utilised / Unused amount reversed (net)	-	(143)
Balance at 31 December 2021	339	157

## Note 9. Intangibles

	Consolidated	
	31 Dec 2022 \$'000	30 June 2022 \$'000
Non-current assets		
Development expenditure - at cost	26,722	23,304
Less: Accumulated amortisation	(10,020)	(7,579)
	16,702	15,725

### Reconciliations

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

Consolidated	Development expenditure \$'000
Balance at 1 July 2022	15,725
Additions	3,418
Amortisation expense	(2,441)
Balance at 31 December 2022	16,702

## Note 10. Trade and other payables

	Consolidated	
	31 Dec 2022 \$'000	30 June 2022 \$'000
Current liabilities		
Trade payables	3,853	4,191
Reseller commissions payable	307	317
Other payables and accruals	5,464	5,637
	9,624	10,145
Non-current liabilities		
Reseller commissions payable	-	-
	9,624	10,145

This disclosure should be read in conjunction with Note 3. Adjustment of prior period financial information.

## Note 11. Issued capital

	31 Dec 2022	30 June 2022	Consolidated 31 Dec 2022	30 June 2022
Consolidated	Shares	Shares	\$'000	\$'000
Ordinary shares – fully paid	118,172,652	117,733,330	136,319	136,305
Details	Date	Shares	\$'000	
Balance	1 July 2022	117,733,330	136,305	
Shares issued on exercise of options	07 July 2022	70,000	-	
Shares issued on exercise of options	12 September 2022	39,835	14	
Shares issued on exercise of performance rights	12 September 2022	289,858	-	
Shares issued on exercise of options	28 October 2022	8,454	-	
Shares issued on exercise of options	23 December 2022	31,175	-	
Balance	31 December 2022	118,172,652	136,319	

## Note 12. Reserves

	Consolidated	
	31 Dec 2022	30 June 2022
	\$'000	\$'000
Foreign currency reserve	(309)	(583)
Share-based payments reserve	5,176	4,371
	4,867	3,788

### Movement in reserves

Movements in each class of revenue during the current financial half-year are set out below:

	Consolidated Foreign currency \$'000	Consolidated Share- based payme nts \$'000	Total \$'000
Consolidated			
Balance at 1 July 2022	(583)	4,371	3,788
Foreign currency translation	274		
Share-based payments		805	
Balance at 31 December 2022	(309)	5,176	4,867

## Note 13. Dividends

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

## Note 14. 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 15. Earnings per share

	Consolidated	
	31 Dec 2022 \$'000	30 June 2022 \$'000
Loss after income tax attributable to the owners of Whispir Limited	(13,731)	(19,346)
Weighted average number of ordinary shares used in calculating:	<b>Number</b>	<b>Number</b>
- basic earnings per share	118,002,262	117,510,556
- diluted earnings per share	118,002,262	117,510,556
Basic earnings per share	<b>Cents</b> (11.64)	<b>Cents</b> (16.54)
Diluted earnings per share	(11.64)	(16.54)

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 16. Share-based payments

The Group offers performance rights to its Senior Leadership Team as well as share options to its other employees under the Long-term incentives ('LTI') plan.

The share-based payment expense for the half-year of \$805k (31 December 2021: \$950K) includes existing and new grants made under the LTI plans.

During the period, 578,089 performance rights were granted to the Group's CEO following the approval of shareholders at the Company's Annual General Meeting on 23 November 2022 and 1,356,000 share options were granted to other employees.

For performance rights, the number or proportion of shares that will vest is subject to the successful achievement of up to three separate vesting conditions over a three-year period. Vesting performance hurdles are conditional on tenure, and metrics aligned to three-year revenue growth and relative total shareholder return.

For share options, the number or proportion of shares that will vest are conditional on tenure only and vest in three equal tranches over three years following the grant date.

The weighted average fair value of the performance rights and share options granted under LTI during the financial half-year was \$0.40 (31 December 2021: \$1.71) and \$0.72 (31 December 2021: \$nil) respectively.

## Note 17. Events after the reporting period

### **Lease**

In March 2022, the Group entered into a seven-year lease agreement commencing 1 January 2023 for its head office located in Melbourne. A right-of-use asset and corresponding lease liability of \$3,580k will be recognised in January 2023.

### **North America region update**

As at the date of this report, the Directors' have approved the strategic proposal to withdraw the majority of the Company's sales and marketing resources from the North American market in order to prioritise and focus on the Company's profitable ANZ core and Asian growth opportunities. This decision has been made after a rigorous review of the North American region's past financial performance, current pipeline, and market conditions in general. A core team will remain, together with data centre infrastructure, to service the region's existing customers.

### **Related party transaction**

On 16 February 2023, the Company entered into a loan agreement with the Chief Executive Officer, Mr. Jeremy Wells, who is a related party to the Group for the purpose of settling personal income tax as a result of transferring his employment from Singapore to Australia. The loan is made on an arm's length basis, and has the following key terms:

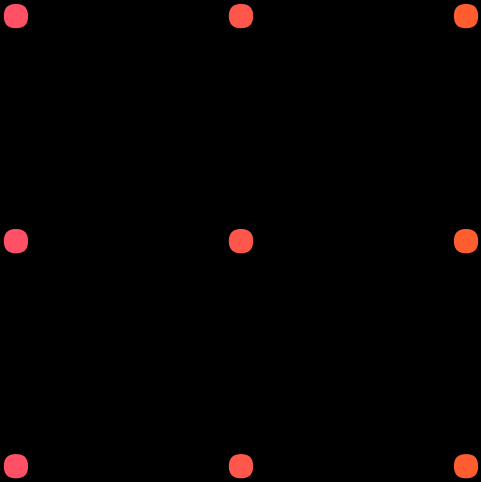
- Commencement date of 27 January 2023
- Principal is \$345,155.80
- Interest rate of 8% per annum
- Maturity date of 30 June 2023
- Loan is secured by an unregistered second mortgage over a property owned by the Guarantor to the loan, Mrs Jano Wells.

Other than items noted above, no other matter or circumstance has arisen since 31 December 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.

Section 8.

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# Directors’ Declaration



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial half-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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



**Brendan Fleiter**  
Chairman and Non-Executive Director



**Jeromy Wells**  
Chief Executive Officer

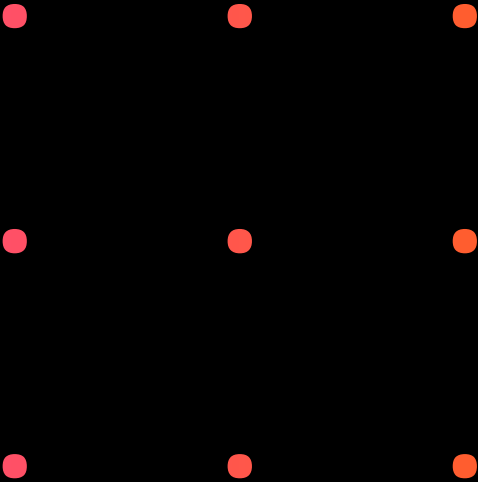
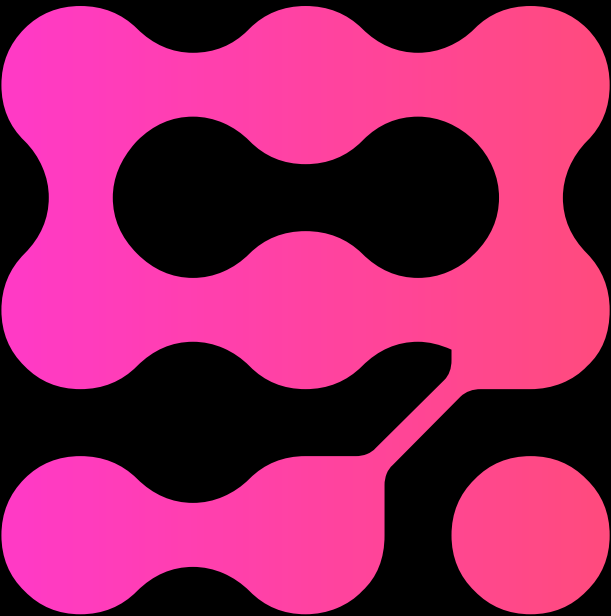
**Melbourne**  
17 February 2023



Section 9.

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# Independent Auditor’s Report to the Members of Whispir Limited





## ***Independent auditor's review report to the members of Whispir Limited***

### **Report on the half-year financial report**

#### ***Conclusion***

We have reviewed the half-year financial report of Whispir Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Whispir Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### ***Responsibilities of the directors for the half-year financial report***

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.



### ***Auditor's responsibilities for the review of the half-year financial report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'Niamh Hussey'.

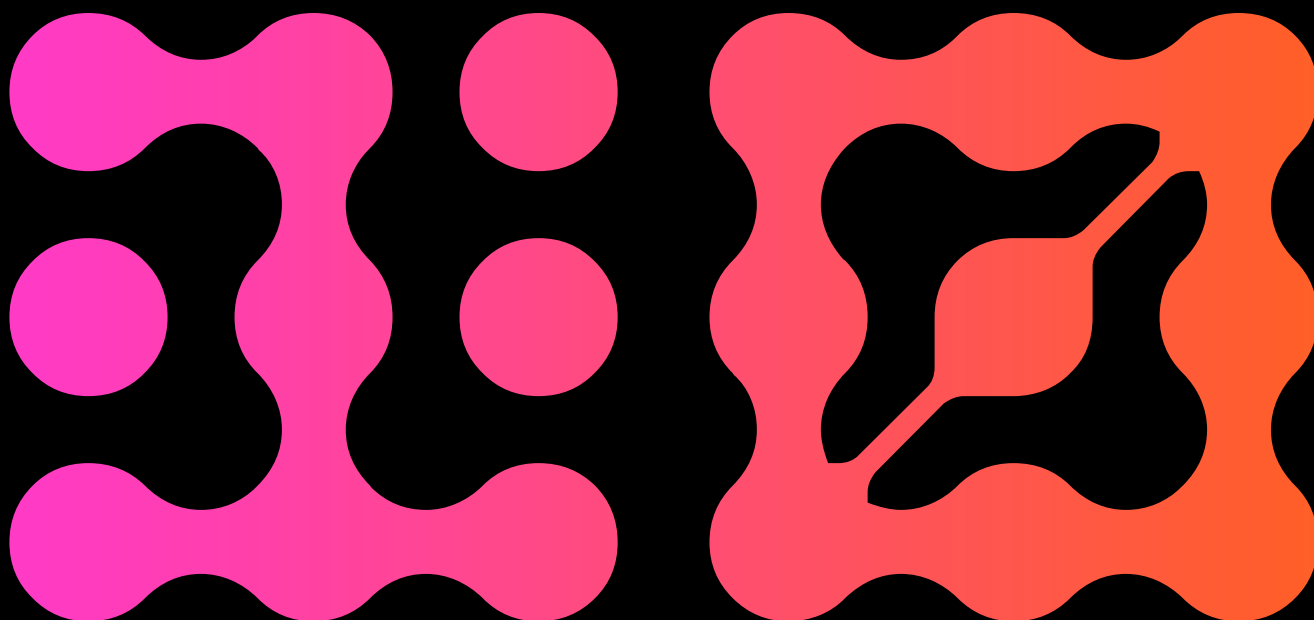
Niamh Hussey  
Partner

Melbourne  
17 February 2023

## Section 10.

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# Corporate Directory



Directors as at the date of this report	<p>Brendan Fleiter – Chairman</p> <p>Jeromy Wells</p> <p>Aled Miles</p> <p>Sarah Morgan</p> <p>Sara La Mela</p> <p>(Scott Tong resigned 23 November 2022)</p>
Company Secretary	Sophie Karzis
Registered office and Principal place of business	<p>Level 29, 385 Bourke Street</p> <p>Melbourne, Victoria, 3000</p> <p>Australia</p> <p>Telephone: 1300 944 774</p>
Share register	<p>Computershare Investor Services Pty Ltd Yarra Falls</p> <p>452 Johnston Street</p> <p>Abbotsford, Victoria, 3067</p> <p>Australia</p> <p>Telephone: 1300 171 785</p>
Auditor	<p>PricewaterhouseCoopers</p> <p>Level 19/2 Riverside Quay</p> <p>Southbank, Victoria, 3006</p> <p>Australia</p>
Stock Exchange listing	<p>Whispir Limited shares are listed on the</p> <p>Australian Securities Exchange (ASX code: WSP)</p>
Website	<a href="http://www.whispir.com">www.whispir.com</a>
Business Objectives	<p>In accordance with the Listing requirements ASX 4.10.19, the directors confirm that the Group has used cash and cash equivalents that are held at the time of listing in a way consistent with its stated business objectives.</p>
Corporate Governance Statement	<p>The directors and management are committed to conducting the business of Whispir Limited in an ethical manner and in accordance with the highest standards of corporate governance. Whispir Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Third Edition) ('Recommendations') to the extent appropriate to the size and nature of the Group's operations.</p> <p>The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, which is approved at the same time as the Annual Report can be found at: <a href="http://www.whispir.com/corporate-governance">www.whispir.com/corporate-governance</a>.</p>