

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 2023
Previous period: Half year ended 31 December 2022

	\$'000	
Revenue from ordinary activities	25,659	Down 10.8%
Loss from ordinary activities after tax attributable to the owners of Whispir Limited	(6,278)	Up 54.3%
Loss from ordinary activities attributable to the owners of Whispir Limited	(6,451)	Up 54.0%

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 2023	31 December 2023
Net tangible assets per ordinary security (cents)	(1.93)	6.12

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 2023 is attached.

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 2023.

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)	Resigned 24 January 2024
Jeromy Wells (Chief Executive Officer)	Resigned 24 January 2024
Sarah Morgan	Resigned 24 January 2024
Amitesh Chand (Chief Executive Officer)	Appointed 24 January 2024
Andrew Gray (Chair)	Appointed 24 January 2024
Richard Favero	Appointed 24 January 2024

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

During the period to December 2023, Whispir encountered challenges that impacted operational performance, resulting in outcomes that were behind initial forecasts. Despite these setbacks, the business remained resilient and took proactive measures to address the issues and lay a foundation for future improvement. Below is a detailed review of our operations during this period.

Operating and financial review

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

Consolidated	31 Dec 2023 \$'000	31 Dec 2022 \$'000	Change \$'000	Change %
Total revenue	25,659	28,754	(3,095)	(10.8%)
Cost of services	(12,728)	(14,741)	2,013	13.7%
Gross profit	12,931	14,013	(1,082)	(7.7%)
Gross margin %	50.4%	48.7%	1.7%	-
Operating expenses	(18,940)	(27,757)	8,817	31.8%
Net interest and tax income/(expense)	(269)	13	(282)	(21.7%)
Net loss after tax	(6,278)	(13,731)	7,453	54.3%
<i>Add back:</i>				
- Depreciation and amortisation	3,296	4,164	868	20.8%
- Net interest and tax income/(expense)	269	(13)	282	21.7%
- Share-based payments	275	716	(441)	(61.6%)
EBITDA (excluding non-cash share-based payments)	(2,438)	(8,864)	6,426	72.5%

Revenue

The Group operates in three reporting segments – ANZ, Asia, and North America. Total revenue across all regions decreased by \$3,095k (10.8%) to \$25,659k for the half year to 31 December 2023, compared to the PCP.

In ANZ, the Company's most mature region, has seen a fall in revenues this half compared to the PCP of \$2,922k (12.2%) because of lower transactional activity in the period including that related to healthcare and the COVID-19 response. Macro-economic headwinds across the region have had an impact leading to a slight contraction in the use of the platform.

Asia, in contrast to ANZ, continues to exhibit growth and this region posted a revenue result that is up \$211k, 5.2%, over the PCP. The channel partner relationships in the region are strengthening with new customers onboarded during the period.

North America has seen revenue fall this half by \$383k (47.1%). This region's result was impacted by the loss of some customers this half due to natural churn as focus has been given to the business' core operating segments.

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

Gross margin and gross profit

Gross margins of 50.4% were slightly improved compared with the PCP of 48.7%, 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 \$1,082k (7.7%) to \$12,931k.

Operating expenses

Operating expenses decreased by 8,817k (31.8%) to \$18,940k. Most restructuring costs were incurred in the PCP and so lower operating expenses reflect the savings on headcount that flowed through this half. Offsetting the decrease in operating expenses are one off transaction costs relating to the Soprano takeover of \$2,473k which were accrued in December 2023.

Profitability

EBITDA losses decreased by \$6,426k (72.5%) to \$2,438k mainly due to the savings in operating expenses.

The loss for the Group after providing for income tax for the current period decreased by \$7,453k (54.3%) to \$6,278k (31 December 2022: \$13,731k).

Financial position

Whispir closed the half year with a cash balance of \$4,447k (30 June 2023: \$4,320k) and no debt. The Group reported negative operating cash flows for the period of \$592k, a decrease of \$13,143k against the PCP. Cash receipts were down 6.9% from \$29,265k to \$27,242k broadly in line with the decrease in revenues for the period. Offsetting the decline in cash receipts was a corresponding decrease in payments to suppliers and employees of \$14,311k (34.2%) to \$27,540k which is in line with expectations given the decrease in headcount with the PCP.

Business growth strategy and likely developments

The Group was majority acquired by Soprano Design (Australia) Pty Ltd on 11th January 2024. Although the previous business strategies remain a focus for the second half of FY24, the long-term goals will align with those of the Soprano Group.

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

On 11th January 2024, Soprano Design Pty Limited gained majority control of Whispir Limited following a successful takeover bid for the Group. Soprano Design Pty Limited will now commence delisting of Whispir Limited following acquisition of over 90% of the issued share capital on 14 February 2024.

Matters subsequent to the end of the half-year

Acceleration of Vesting - Employee Options and Performance Rights

On 15th January 2024, the former Whispir Board exercised their discretion under the Whispir ESOP Rules to accelerate the vesting of all employee options and performance rights because of the change of control. The corresponding impact of the charge will be included in the full year result of the Group.

Repayment of related party loan

On 16 February 2023, the Company entered into a loan agreement with the Chief Executive Officer, Mr. Jeromy Wells, who was 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 was made on an arm's length basis, and had the following key terms:

- Commencement date of 27 January 2023
- Principal is \$345,155.80
- Default interest rate of 11% per annum
- Maturity date of 30 June 2023

On 7th February 2024, the loan was repaid in full, with interest.

Whispir Limited | Directors' Report

Access to loan facility

On 8th February 2024, Whispir Limited executed a Loan Facility Agreement for \$5million with its immediate parent entity, Soprano Design Pty Limited, for a period of 6 months.

Key terms associated with the \$5 million Loan Facility include:

- 6 months repayment term commencing on the first funding date;
- 12% per annum interest rate; and
- Net proceeds from any equity financing undertaken by Whispir is required to be applied towards the repayment of the loan.

The Loan Facility is subject to standard events of default including failure to repay, appointment of an administrator or insolvency.

Other than items noted above, no other matter or circumstance has arisen since 31 December 2023 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 expressed its willingness to continue 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 the Directors

DocuSigned by:

757E40340936487...
Andrew Gray
Chair

DocuSigned by:

80D11E02250D416...
Amitesh Chand
Chief Executive Officer (Interim)

DocuSigned by:

589BC48477274F2...
Richard Favero
Director

Melbourne
23 February 2024



Auditor's Independence Declaration

As lead auditor for the review of Whispir Limited for the half-year ended 31 December 2023, 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', written in a cursive style.

Niamh Hussey
Partner
PricewaterhouseCoopers

Melbourne
23 February 2024

Whispir Limited | Consolidated Statement of Profit and Loss and Other Comprehensive Income

For the half-year ended 31 December 2023

Consolidated

	Note	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Revenue			
Software revenue		25,258	28,180
Professional services revenue		401	574
Total revenue	4	25,659	28,754
Cost of services		(12,728)	(14,741)
Gross profit		12,931	14,013
Interest revenue		62	53
Expenses			
Sales and marketing		(4,457)	(9,528)
Research and development		(6,283)	(8,056)
General and administration		(8,200)	(10,173)
Finance costs		(331)	(38)
Total expenses	5	(19,271)	(27,795)
(Loss) before income tax expense		(6,278)	(13,729)
Income tax expense		(0)	(2)
(Loss) after income tax expense attributable to the owners of Whispir Limited		(6,278)	(13,731)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(173)	(274)
Other comprehensive income net of tax		(173)	(274)
Total comprehensive loss attributable to the owners of Whispir Limited		(6,451)	(14,005)
Basic earnings per share (cents)	14	(5.08)	(11.64)
Diluted earnings per share (cents)	14	(5.08)	(11.64)

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

Whispir Limited | Consolidated Statement of Financial Position

As at 31 December 2023

Consolidated

	Note	31 Dec 2023 \$'000	30 June 2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	6	4,447	4,320
Trade and other receivables	7	6,909	6,576
Prepayments		1,039	1,556
Interest bearing assets		713	624
Total current assets		13,108	13,076
Non-current assets			
Property, plant and equipment		2,680	2,951
Intangibles	8	17,357	17,743
Right-of-use assets		3,538	3,860
Interest bearing assets		882	976
Total non-current assets		24,457	25,530
Total assets		37,565	38,606
Liabilities			
Current liabilities			
Trade and other payables	9	10,238	8,044
Contract liabilities		1,276	1,715
Employee benefits		1,546	1,473
Lease liabilities		853	984
Borrowings		-	375
Derivative financial liabilities		-	69
Total current liabilities		13,913	12,660
Non-current liabilities			
Contract liabilities		-	80
Employee benefits		58	46
Lease liabilities		5,307	5,707
Borrowings		-	281
Derivative financial liabilities		-	81
Total non-current liabilities		5,365	6,195
Total liabilities		19,278	18,855
Net assets		18,287	19,750
Equity			
Issued capital	10	141,872	137,064
Reserves	11	3,396	3,389
Accumulated losses		(126,981)	(120,703)
Total equity		18,287	19,750

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

Whispir Limited | Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2023

	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Consolidated				
Balance at 1 July 2023	137,064	3,389	(120,703)	19,750
Loss after income tax expense for the half-year	-	-	(6,278)	(6,278)
Other comprehensive income for the half-year, net of tax	-	173	-	173
Total comprehensive income for the half-year	-	173	(6,278)	(6,105)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	4,367	-	-	4,367
Share-based payments	-	275	-	275
Transfer upon exercise of options	441	(441)	-	-
Balance at 31 December 2023	141,872	3,396	(126,981)	18,287

	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Consolidated				
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
Total comprehensive income for the half-year	-	274	(13,731)	(13,457)
Transactions with owners in their capacity as owners:				
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 Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Whispir Limited | Consolidated Statement of Cash Flows

For the half-year ended 31 Dec 2023

Consolidated

	Note	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Cash flows from operating activities			
Receipts from customers		27,242	29,265
Payment to suppliers and employees		(27,540)	(41,851)
Interest received		43	62
Interest and other finance costs paid		(331)	(37)
Income tax received / (paid)		(6)	10
Net cash used in operating activities		(592)	(12,551)
Cash flows from investing activities			
Payments for property, plant and equipment		(111)	(105)
Payments for intangibles	8	(2,180)	(3,417)
Payments from / (for) security deposits		24	(61)
Net cash used in investing activities		(2,267)	(3,583)
Cash flows from financing activities			
Proceeds from the exercise of options		398	14
Repayment of lease liabilities		(400)	(598)
Proceeds from the issue of share capital		3,029	-
Net cash from / (used) in financing activities		3,027	(584)
Net increase / (decrease) in cash and cash equivalents		170	(16,719)
Cash and cash equivalents at the beginning of the period		4,320	26,077
Effects of exchange rate changes on cash and cash equivalents		(43)	75
Cash and cash equivalents at the end of the period	6	4,447	9,433

The above Consolidated 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 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. Material accounting policies

Basis of preparation

This consolidated interim Financial Report for the half-year reporting period ended 31 December 2023 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 2023 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.

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, reseller margin, data centre costs, and personnel and related costs directly associated with platform infrastructure and customer consulting.

During the period to 31 December 2023, reseller margin and sales commissions have been reclassified from sales and marketing expenses to cost of services. The nature of expenses remaining in sales and marketing relate to general marketing activities of the Group.

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 \$6,278k and had a net cash inflow of \$170k. As at 31 December 2023, the Group had a net current liability position of (\$805k). The Group has non-current liabilities (largely lease liabilities) of \$5,365k.

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, allied with support offered by its ultimate parent entity, Soprano Design Pty Ltd;
- 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. 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 Makers ('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 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.

Whispir Limited | Notes to the Consolidated Financial Statements

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 the 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 \$16,569k (65%) of Group revenue.

Consolidated 31 Dec 2023	Australia & New Zealand \$'000	Asia \$'000	North America \$'000	Total \$'000
Revenue				
Sales to external customers	20,999	4,231	429	25,659
Segment gross profit	12,810	78	43	12,931
Other revenue				62
Sales and marketing				(4,457)
Research and development				(6,283)
General and administration				(8,200)
Finance costs				(331)
(Loss) before income tax expense				(6,278)
Income tax expense				(0)
(Loss) after income tax expense				(6,278)

Consolidated 31 Dec 2022	Australia & New Zealand \$'000	Asia \$'000	North America \$'000	Total \$'000
Revenue				
Sales to external customers	23,920	4,022	812	28,754
Segment gross margin	12,085	1,838	90	14,013
Interest revenue				53
Sales and marketing				(9,528)
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)

Note 4. Revenue from contracts with customers

Disaggregation of revenue

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

	Consolidated	
	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Major product lines		
Platform and software revenue	8,312	7,812
Transactional revenue	16,946	20,368
Professional services and configuration revenue	401	574
	25,659	28,754
Geographical regions		
Australia	20,273	23,262
Singapore	3,952	3,744
North America	429	812
New Zealand	726	659
Indonesia	34	140
Malaysia	100	77
Philippines	145	57
Others	-	3
	25,659	28,754
Timing of revenue recognition		
Software and services recognised over time	25,659	28,754

Note 5. Expenses

	Consolidated	
	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Furniture, fixtures and fittings	211	131
Computer equipment	169	176
Right-of-use assets	350	454
Total depreciation	730	761
Amortisation		
Development expenditure	2,566	2,441
Customer acquisition costs*	-	962
Total amortisation	2,566	3,403
Total depreciation and amortisation	3,296	4,164
Finance costs		
Interest cost on lease	219	38
Other interest	52	-
Other finance cost	60	-
Finance costs expensed	331	38
Rental expense relating to operating lease		
Expense relating to short-term leases (included in administration expenses)	19	73
Variable lease payments (included in administration expenses)	114	72
Employee benefits expense		
Wages and salaries	11,197	17,507
Redundancy costs	83	1,143
Defined contribution superannuation expense	751	1,336
Payroll tax	435	680
Other employee benefits expense	278	730
Share-based payments	408	805
Total employee benefits expense	13,152	22,201

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

Note 6. Cash and cash equivalents

	Consolidated	
	31 Dec 2023 \$'000	30 June 2023 \$'000
Current assets		
Cash at bank	2,947	2,809
Cash on deposit	1,500	1,511
	4,447	4,320

Note 7. Trade and other receivables

	Consolidated	
	31 Dec 2023 \$'000	30 June 2023 \$'000
Current assets		
Trade receivables	6,758	6,273
Less – Allowance for expected credit losses	(331)	(244)
	6,427	6,029
Other receivables	482	547
	6,909	6,576

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 2023	30 June 2023	31 Dec 2023	30 June 2023	31 Dec 2023	30 June 2023
Consolidated	%	%	\$'000	\$'000	\$'000	\$'000
0 to 30 days	0.09%	0.01%	5,458	5,401	5	1
31 to 90 days	8.86%	0.93%	395	195	35	2
Over 90 days	32.15%	35.81%	905	677	291	241
			6,758	6,273	331	244

Allowance for expected credit losses

The Group has recognized an additional \$144k provision for expected credit losses as at 31 December 2023 due to aged receivables in Asia and North America. Whispir generally carries a low provision for credit losses as 69% 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.

Note 7. Trade and other receivables (continued)

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

	Consolidated	
	31 Dec 2023 \$'000	30 June 2023 \$'000
Opening balance as at 1 st July 2023	244	157
Additional provisions recognised	144	438
Amount utilised / Unused amount reversed (net)	(57)	(351)
Balance at 31 December 2023	331	244

Note 8. Intangibles

	Consolidated	
	31 Dec 2023 \$'000	30 June 2023 \$'000
Non-current assets		
Development expenditure - at cost	31,197	29,015
Less: Accumulated amortisation	(13,840)	(11,272)
	17,357	17,743

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 2023	17,743
Additions	2,178
Amortisation expense	(2,564)
Balance at 31 December 2023	17,357

Note 9. Trade and other payables

	Consolidated	
	31 Dec 2023 \$'000	30 June 2023 \$'000
Current liabilities		
Trade payables	4,079	4,586
Reseller commissions payable	328	380
Commissions Payable	1,371	1,287
Other payables and accruals	4,459	1,792
	10,238	8,044

Note 10. Issued capital

	Consolidated			
Consolidated	31 Dec 2023 Shares	30 June 2023 Shares	31 Dec 2023 \$'000	30 June 2023 \$'000
Ordinary shares – fully paid	135,258,943	118,195,630	141,873	137,064

Details	Date	Shares	\$'000
Balance	1-Jul-23	118,195,630	137,064
Shares issued on exercise of performance rights	24-Jul-23	35,000	-
Shares issued on exercise of options	25-Jul-23	1,930	-
Shares issued for private placement	26-Oct-23	12,740,000	2,972
Shares issued on exercise of options	30-Oct-23	21,502	-
Shares issued to Riverfort as settlement of debt facility	7-Nov-23	801,049	275
Shares issued to Riverfort as settlement of debt facility	9-Nov-23	1,914,825	657
Shares issued on exercise of options	20-Nov-23	1,176,315	390
Shares issued for private placement	28-Nov-23	260,000	65
Shares issued on exercise of options	27-Dec-23	112,692	8
Transfer from share-based payments reserve		-	441
Balance		135,258,943	141,873

Note 11. Reserves

	Consolidated	
	31 Dec 2023 \$'000	30 June 2023 \$'000
Foreign currency reserve	(65)	(238)
Share-based payments reserve	3,461	3,628
	3,396	3,389

Note 11. Reserves (continued)

Movement in reserves

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

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

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

	Consolidated		
	Foreign currency	Share- based payments	Total
Consolidated	\$'000	\$'000	\$'000
Balance at 1 July 2023	(238)	3,628	3,389
Foreign currency translation	173		173
Share-based payments		(166)	(166)
Balance at 31 December 2023	(65)	3,461	3,396

Note 12. Dividends

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

Note 13. Fair value measurement

There were no assets and liabilities carried at fair value as at 31 December 2023 and 30 June 2023. The carrying amounts of trade and other receivables and trade and other payables approximate their fair values due to their short-term nature.

Note 14. Earnings per share

	Consolidated	
	31 Dec 2023 \$'000	30 June 2023 \$'000
Loss after income tax attributable to the owners of Whispir Limited	(6,278)	(13,731)
Weighted average number of ordinary shares used in calculating basic earnings per share	Number 123,645,140	Number 118,002,262
Weighted average number of ordinary shares used in calculating diluted earnings per share	123,645,140	118,002,262
Basic earnings per share	Cents (5.08)	Cents (11.64)
Diluted earnings per share	(5.08)	(11.64)

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 15. 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 \$275k (31 December 2022: \$805K) includes existing grants made under the LTI plans. There were no new grants during the period.

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.

Note 16. Events after the reporting period

Takeover

On 11th January 2024, Soprano Design Pty Limited gained majority control of Whispir Limited following a successful takeover bid for the Group. Soprano Design Pty Limited will now commence delisting of Whispir Limited following acquisition of over 90% of the issued share capital on 14 February 2024.

Note 16. Events after the reporting period (continued)

Acceleration of Vesting - Employee Options and Performance Rights

On 15th January 2024, the former Whispir Board exercised their discretion under the Whispir ESOP Rules to accelerate the vesting of all employee options and performance rights because of the change of control. The corresponding impact of the charge will be included in the full year result of the Group.

Repayment of related party loan

On 16 February 2023, the Company entered into a loan agreement with the former Chief Executive Officer, Mr. Jeromy Wells, who was 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 was made on an arm's length basis, and had the following key terms:

- Commencement date of 27 January 2023
- Principal of \$345,155.80
- Default interest rate of 11% per annum
- Maturity date of 30 June 2023

On 7th February 2024, the loan was repaid in full, with interest.

Access to loan facility

On 8th February 2024, Whispir Limited executed a Loan Facility Agreement for \$5million with its immediate parent entity, Soprano Design Pty Ltd, for a period of 6 months.

Key terms associated with the \$5 million Loan Facility include:

- 6 months repayment term commencing on the first funding date;
- 12% per annum interest rate; and
- Net proceeds from any equity financing undertaken by Whispir is required to be applied towards the repayment of the loan.

The Loan Facility is subject to standard events of default including failure to repay, appointment of an administrator or insolvency.

Other than items noted above, no other matter or circumstance has arisen since 31 December 2023 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.

Whispir Limited | 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 2023 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

DocuSigned by:
Andrew Gray
757E40340936487...

Andrew Gray

Chair

DocuSigned by:
Amitesh Chand
80D11E02250D416...

Amitesh Chand

Chief Executive Officer (Interim)

DocuSigned by:
Richard Favero
589BC48477274F2...

Richard Favero

Director

Melbourne

23 February 2024



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 2023, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, selected 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 2023 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 2023 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 black ink that reads 'PricewaterhouseCoopers' in a cursive, flowing script.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Niamh Hussey' in a cursive, flowing script.

Niamh Hussey
Partner

Melbourne
23 February 2024

Whispir Limited | Corporate Directory

Directors as at the date of this report	Richard Favero Amitesh Chand Andrew Gray
Company Secretary	Hasaka Martin
Registered office and Principal place of business	Level 29, 385 Bourke Street Melbourne, Victoria, 3000 Australia Telephone: 1300 944 774
Share register	Computershare Investor Services Pty Ltd Yarra Falls 452 Johnston Street Abbotsford, Victoria, 3067 Australia Telephone: 1300 171 785
Auditor	PricewaterhouseCoopers Level 19/2 Riverside Quay Southbank, Victoria, 3006 Australia
Stock Exchange listing	Whispir Limited shares are listed on the Australian Securities Exchange (ASX code: WSP)
Website	www.whispir.com
Business Objectives	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.
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: www.whispir.com/corporate-governance.</p>