

APPENDIX 4D

HALF YEAR REPORT



Results for announcement to the market

Name of entity: Whispir Limited
ABN: 89 097 654 656
Reporting period: Half year ended 31 December 2021
Previous period: Half year ended 31 December 2020

	\$'000	
Revenue from ordinary activities	39,420	Up 70.4%
Loss from ordinary activities after tax attributable to the owners of Whispir Limited	(6,994)	Up 102.4%
Loss from ordinary activities attributable to the owners of Whispir Limited	(6,994)	Up 102.4%

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 2021	31 December 2020
Net tangible assets per ordinary security (cents)	28.91	5.40

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 Half Year Report.

Attachments

The Half Year Report of Whispir Limited for the half year ended 31 December 2021 is attached.

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Interim Report – 22 February 2022

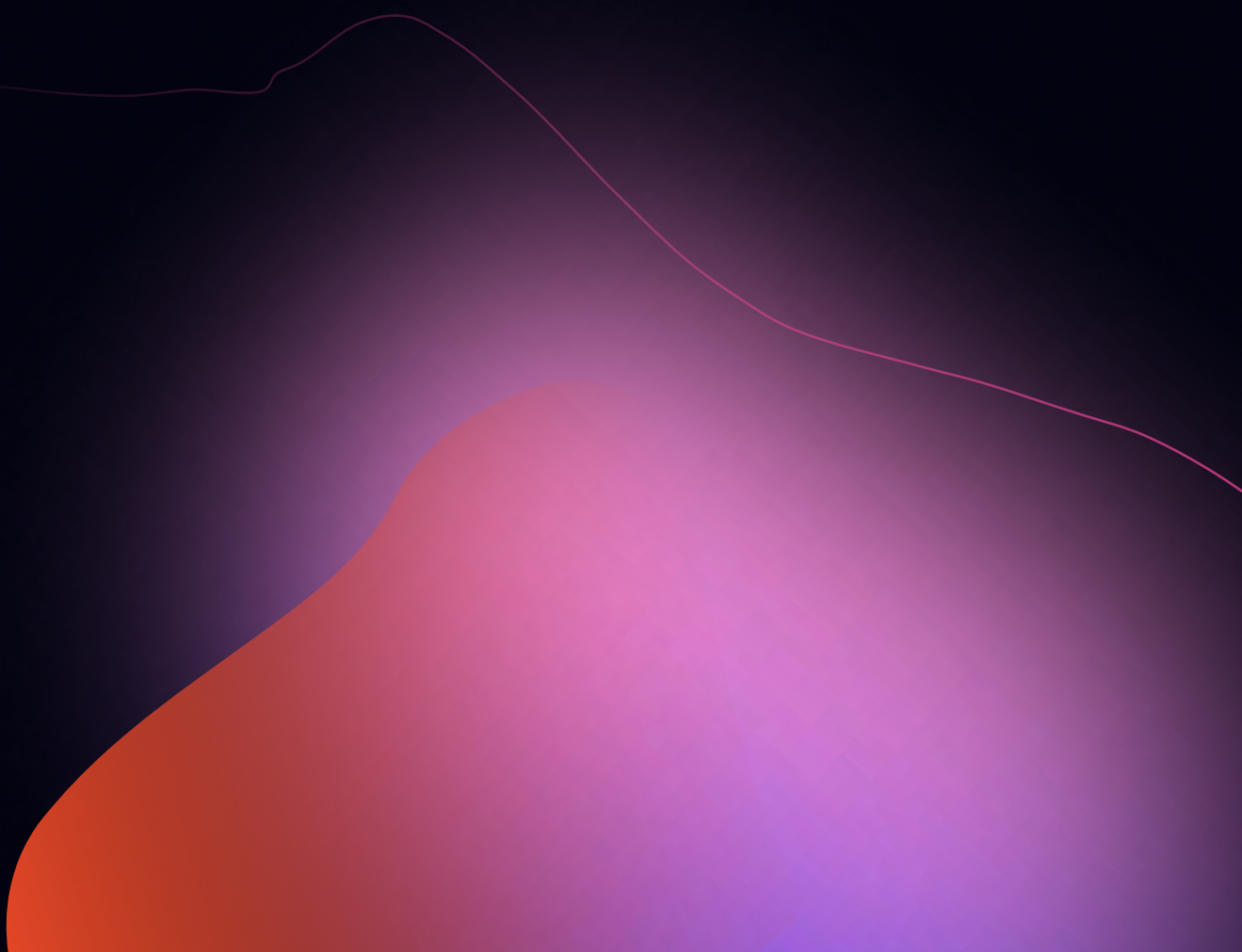
Whispir Limited
ABN 89 097 654 656

whispir

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a human to human future.



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Section 1.

Directors' Report

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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 2021.

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 – Chairman

Jeromy Wells – Chief Executive Officer

Sarah Morgan

Sara La Mela

Aled Miles

Scott Tong – Appointed 1 December 2021

Review of Operations

Principal activities

The principal continuing activities of the Group is being a Software-as-a-Service ('SaaS') provider specialising in the development and provision of a cloud-based communications management platform. The Group enables the integration of smart applications and micro communications services into existing workflow solutions to automate specific areas of business-critical communications across mobile, email, voice, social, and web. The Group enables rapid, relevant and contextual conversations between people and organisations, wherever they are.

Operating and financial review

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

	31 Dec 2021 \$'000	31 Dec 2020 \$'000	Change \$'000	Change %
Total revenue	39,420	23,137	16,283	70.4%
Cost of services	(16,384)	(9,171)	(7,213)	78.7%
Gross profit	23,036	13,966	9,070	64.9%
Gross margin %	58.4%	60.4%	-	-
Operating expenses	(29,945)	(17,113)	(12,832)	75.0%
Net loss after tax	(6,994)	(3,456)	(3,538)	102.4%
Add back: depreciation and amortisation ¹	2,309	1,319	990	75.1%
Add back: interest and tax	85	309	(224)	(72.5%)
EBITDA	(4,600)	(1,828)	(2,772)	151.6%
EBITDA (excluding non-cash share-based payments)	(3,650)	(940)	(2,710)	288.3%

1. excluding amortisation of Customer Acquisition Costs which form part of sales and marketing expenses

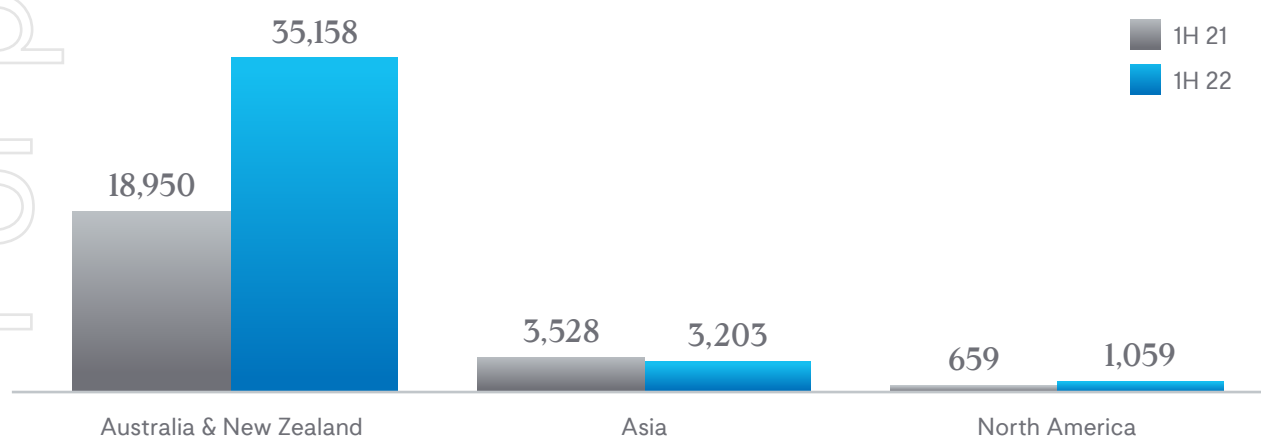
Revenue

Total revenue increased by \$16,283k (70.4%) to \$39,420k for the half year to 31 December 2021, compared to the Previous Corresponding Period (PCP).

Revenue growth for the half was underpinned by the ANZ region, which saw revenue increasing by \$16,208k (85.5%) to \$35,158k as result of Whispir partnering with major healthcare providers to deliver personalised communications during Australia's pandemic response.

The Group operates in three reporting segments – ANZ, Asia and North America.

Revenue by segment

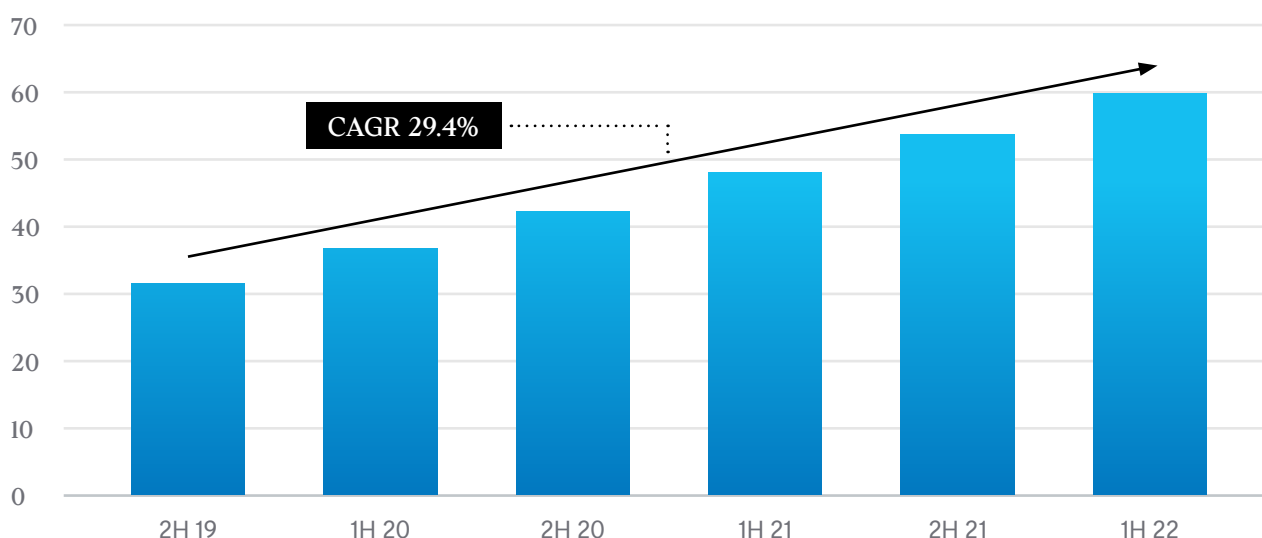


In addition to the strong growth reported for the ANZ region as noted above, the Group also delivered growth in North America where revenue increased by \$400k (60.7%) to \$1,059k following efforts to target high-value small-medium sized enterprise and business (SME and SMB) customers as part of Whispir's digital first marketing strategy. Asia experienced a slight decrease in revenues of \$325k (9.2%) which was mostly pandemic related. Refer to note 3 to the financial statements for further information regarding the operating segments.

Annualised Recurring Revenue ("ARR")

The Group reported its highest ever half yearly increase in ARR of \$12.6 million (29.4%), taking ARR to \$60.0 million at 31 December 2021. ARR has demonstrated consistently strong growth, at a Compound Annual Growth Rate ("CAGR") of 29.4% since 30 June 2019, as shown in the chart below. The ARR growth reflects both the underlying increase in Whispir's customer base, and an increase in utilisation of the Whispir platform, but excludes any revenues related to vaccination communications which are not considered to be annually recurring.

ARR A\$M



Gross profit and gross margin %

Cost of services increased by \$7,213k (78.7%) to \$16,384k, and when combined with the strong revenue performance, means gross profit increased by \$9,070k (64.9%) to \$23,036k. However, the increase in cost of services, being higher than the revenue growth of 70.4%, has led to a decline in gross margin % from 60.4% to 58.4%. This decrease in gross margin % is due to the growth in transactional revenue as a proportion of total revenue, which grew from 66.6% to 80.6%. Transactional revenue carries a lower gross margin than software licence and services fees due to the external carrier charges.

Operating expenses

Operating expenses increased by \$12,832k (75.0%) to \$29,945k, which is largely a result of an increase in employees of 169 to 270 (59.8%) at 31 December 2021. This increase in head count occurred across all areas of the business, but in particular product and marketing, as noted below.

Sales and marketing expense increased by \$3,978k (49.3%) to \$12,043k which is in line with expectations as the Group rolls out its marketing strategy, which includes enhancing Whispir's digital marketing footprint.

Research and development spend increased by \$4,787k (85.2%) to \$10,407k. Of this, the Group capitalised \$4,093k (39%) of development spend, compared to \$2,425k (43%) for the PCP. Product innovation remains a key objective of the Group to ensure its customers are provided with leading edge technology that is competitively priced. The Group retains its commitment to its five-year product roadmap, which includes embedding prediction, detection, and automation capabilities to enhance communications intelligence and improve platform value. With this focus on innovation, total research and development spend (before capitalisation) as a percentage of total revenue was 26.4% for the period, which is a slight increase (8.6%) over the PCP of 24.3%.

General and administration expenses increased by \$5,735k (98.0%) to \$11,588k, reflecting planned increases in headcount and general costs associated with supporting business growth.

EBITDA losses increased by \$2,772k (151.6%) to \$4,600k reflecting the planned investment in headcount to facilitate the Group's execution of its product road map and external marketing strategy.

The loss for the Group after providing for income tax for the current period increased by \$3,538k (102.4%) to \$6,994k (31 December 2020: \$3,456k), reflecting an increase in the Group's amortisation of development expenditure in addition to the EBITDA losses noted above. This is consistent with the Group's planned execution of its product road map.

Financial position

Whispir continues to report a strong financial position with a cash balance of \$38,121k at 31 December 2021 (30 June 2021: \$49,173k) and no debt. The Group reported negative free cash flows (cash flows from operating and investing activities) for the period of \$10,675k, an increase of \$6,444k over the PCP, which is in line with expectations. Cash receipts were strong at \$41,737k broadly in line with revenues (with GST added) for the period. Offsetting the strengthened cash receipts was a corresponding increase in payments for operating and investing activities of \$26,391 (101.4%) to \$52,412k, mostly as a result of an increase in head count to execute the roll out of the Group's marketing strategy and product road map. The Group's net current asset position closely resembles its cash, at \$35,659k (30 June 2021: \$43,555k).

Rounding of amounts

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

Auditor's independence declaration

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

Auditor

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

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

On Behalf of Directors



Brendan Fleiter
Chairman and Non-executive Director



Jeremy Wells
Chief Executive Officer

Melbourne
22 February 2021

Section 2.

Auditor's Independence Declaration

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Auditor's Independence Declaration to the Directors of Whispir Limited

As lead auditor for the review of the half year financial report of Whispir Limited for the half year ended 31 December 2021, I declare to the best of my knowledge and belief, there have been:

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

A stylized blue ink signature of 'Ernst & Young'.

Ernst & Young

A stylized blue ink signature of 'David McGregor'.

David McGregor
Partner
22 February 2022

Section 3.

Statement of Profit or Loss and Other Comprehensive Income

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For the half year ended 31 December 2021

Consolidated

	Note	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Revenue			
Software revenue		38,824	22,343
Professional services revenue		596	794
Total revenue	4	39,420	23,137
Cost of services		(16,384)	(9,171)
Gross profit		23,036	13,966
Other revenue		141	45
Expenses			
Sales and marketing		(12,043)	(8,065)
Research and development		(6,314)	(3,195)
General and administration		(11,588)	(5,853)
Finance costs		(224)	(243)
Total expenses	5	(30,169)	(17,356)
Loss before income tax expense		(6,992)	(3,345)
Income tax expense		(2)	(111)
Loss after income tax expense attributable to the owners of Whispir Limited		(6,994)	(3,456)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		1	46
Other comprehensive income		1	46
Total comprehensive loss attributable to the owners of Whispir Limited		(6,993)	(3,410)
			Cents
Basic earnings per share	14	(5.96)	(3.32)
Diluted earnings per share	14	(5.96)	(3.32)

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

Section 4.

Statement of Financial Position

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As at 31 December 2021

Consolidated

	Note	31 Dec 2021 \$'000	30 June 2021 \$'000
Assets			
Current assets			
Cash and cash equivalents	6	38,121	49,173
Trade and other receivables	7	7,727	6,511
Prepayments		2,825	1,700
Contract acquisition costs		2,985	2,324
Interest bearing assets		811	649
Total current assets		52,469	60,357
Non-current assets			
Property, plant and equipment		1,397	1,215
Intangibles	8	13,251	10,806
Right-of-use assets		2,369	1,973
Contract acquisition costs		840	1,430
Total non-current assets		17,857	15,424
Total assets		70,326	75,781
Liabilities			
Current liabilities			
Trade and other payables	9	9,499	12,623
Contract liabilities		1,805	1,871
Employee benefits		4,542	1,703
Lease liabilities		964	605
Total current liabilities		16,810	16,802
Non-current liabilities			
Trade and other payables	9	1,292	917
Contract liabilities		254	156
Employee benefits		42	-
Lease liabilities		2,272	2,216
Total non-current liabilities		3,860	3,289
Total liabilities		20,670	20,091
Net assets		49,656	55,690
Equity			
Issued capital	10	136,200	135,413
Reserves	11	2,736	2,563
Accumulated losses		(89,280)	(82,286)
Total equity		49,656	55,690

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

Section 5.

Statement of Changes in Equity

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For the half year ended 31 December 2021

Consolidated	Issued Capital \$'000	Reserves \$'000	Accumulated Losses \$'000	Total Equity \$'000
Balance at 1 July 2020	90,362	2,028	(72,632)	19,758
Loss after income tax expense	-	-	(3,456)	(3,456)
Other comprehensive income	-	46	-	46
Total comprehensive income	-	46	(3,456)	(3,410)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	111	-	-	111
Share-based payments	-	888	-	888
Transfer upon exercise of options	371	(371)	-	-
Balance at 31 December 2020	90,844	2,591	(76,088)	17,347

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	-	-	(6,994)	(6,994)
Other comprehensive income	-	1	-	1
Total comprehensive income	-	1	(6,994)	(6,993)
Transactions with owners in their capacity as owners:				
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

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

Section 6.

Statement of Cash Flows

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For the half year ended 31 December 2021

Consolidated

	Note	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Cash flows from operating activities			
Receipts from customers		41,737	21,790
Payment to suppliers and employees		(47,639)	(23,133)
Interest received		141	45
Interest and other finance costs paid		(219)	(266)
Income tax paid		(2)	-
Net cash used in operating activities		(5,982)	(1,564)
Cash flows from investing activities			
Payments for property, plant and equipment		(438)	(244)
Payments for intangibles	8	(4,093)	(2,425)
Payments from/(for) security deposits		(162)	2
Net cash used in investing activities		(4,693)	(2,667)
Cash flows from financing activities			
Proceeds from the exercise of options	10	9	111
Repayment of lease liabilities		(387)	(268)
Net cash used in financing activities		(378)	(157)
Net decrease in cash and cash equivalents		(11,053)	(4,388)
Cash and cash equivalents at the beginning of the period		49,173	15,217
Effects of exchange rate changes on cash and cash equivalents		1	46
Cash and cash equivalents at the end of the period	6	38,121	10,875

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

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Section 7.

Notes to the Financial Statements

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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 15, 360 Collins Street
Melbourne VIC 3000
Australia.

Note 2. Significant accounting policies

This consolidated interim Financial Report for the half year reporting period ended 31 December 2021 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 2021 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, except for changes arising from the adoption of the below agenda decision.

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

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

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

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

The Group's analysis indicates that the impact of this agenda decision is not material.

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 Board of Directors (who are 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 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 margin 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 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 customer in the Australia & New Zealand region that accounted for \$10,811k (27.3%) of group revenue.

Consolidated 31 December 2021	Australia & New Zealand \$'000	Asia \$'000	North America \$'000	Total \$'000
Revenue				
Sales to external customers	35,158	3,203	1,059	39,420
Segment gross margin	21,666	1,188	182	23,036
Other revenue*				141
Sales and marketing				(12,043)
Research and development				(6,314)
General and administration				(11,588)
Finance costs				(224)
Loss before income tax expense				(6,992)
Income tax expense				(2)
Loss after income tax expense				(6,994)

*Interest revenue

Note 3. Operating segments (continued)

Consolidated 31 December 2020	Australia & New Zealand \$'000	Asia \$'000	North America \$'000	Total \$'000
Revenue				
Sales to external customers	18,950	3,528	659	23,137
Segment gross margin	12,019	1,749	198	13,966
Other revenue*				45
Sales and marketing				(8,065)
Research and development				(3,195)
General and administration				(5,853)
Finance costs				(243)
Loss before income tax expense				(3,345)
Income tax expense				(111)
Loss after income tax expense				(3,456)

*Interest revenue

Note 4. Revenue from contracts with customers

Disaggregation of revenue

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

	Consolidated	
	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Major product lines		
Platform revenue	7,060	6,937
Transactional revenue	31,764	15,406
Professional services and configuration revenue	596	794
	39,420	23,137
Geographical regions		
Australia	34,368	18,307
Singapore	3,203	3,528
USA	1,059	659
New Zealand	790	643
	39,420	23,137
Timing of revenue recognition		
Services transferred over time	39,420	23,137

Note 5. Expenses

	Consolidated	
	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Furniture, fixtures and fittings	97	26
Computer equipment	159	111
Right-of-use assets	405	298
Total depreciation	661	435
Amortisation		
Development expenditure	1,648	884
Customer acquisition costs*	2,486	2,152
Total amortisation	4,134	3,036
Total depreciation and amortisation	4,795	3,471
Finance costs		
Interest on cost lease	219	237
Other interest	5	6
Finance costs expensed	224	243
Rental expense relating to operating lease		
Expense relating to short-term leases (included in administration expenses)	63	46
Variable lease payments (included in administration expenses)	73	31
Employee benefits expense		
Wages and salaries	18,090	11,008
Defined contribution superannuation expense	1,457	791
Payroll tax	707	394
Other employee benefits expense	1,364	606
Share-based payments	950	888
Total employee benefits expense	22,569	13,687

*Amortisation of contract acquisition costs pertain to sales commissions and are included in sales and marketing expense.

Note 6. Cash and cash equivalents

	Consolidated	
	31 Dec 2021 \$'000	30 June 2021 \$'000
Current assets		
Cash at bank	37,611	48,663
Cash on deposit	510	510
	38,121	49,173

Note 7. Trade and other receivables

	Consolidated	
	31 Dec 2021 \$'000	30 June 2021 \$'000
Current assets		
Trade receivables	7,820	6,808
Less: Allowance for expected credit losses	(95)	(300)
	7,725	6,508
Other receivables	2	3
	7,727	6,511

Aging 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 2021 %	30 June 2021 %	31 Dec 2021 \$'000	30 June 2021 \$'000	31 Dec 2021 \$'000	30 June 2021 \$'000
Consolidated						
0 to 30 days	0.01%	0.05%	6,739	5,698	1	3
31 to 90 days	1.63%	16.99%	893	359	14	61
Over 90 days	42.10%	31.42%	190	751	80	236
			7,822	6,808	95	300

Note 7. Trade and other receivables (continued)

Allowance for expected credit losses

The Group has utilised the opening provision of \$300k and created a fresh provision for the expected credit losses as at 31 December 2021. Whispir carries a low provision for credit losses as 83% 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 2021 \$'000	30 June 2021 \$'000
Opening balance	300	110
Additional provisions recognised	87	190
Amount utilised / Unused amount reversed (net)	(292)	-
Balance at 31 December 2021	95	300

Note 8. Intangibles

	Consolidated	
	31 Dec 2021 \$'000	30 June 2021 \$'000
Non-current assets		
Development expenditure - at cost	18,748	14,655
Less: Accumulated amortisation	(5,497)	(3,849)
	13,251	10,806

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 2021	10,806
Additions	4,093
Amortisation expense	(1,648)
Balance at 31 December 2021	13,251

Note 9. Trade and other payables

	Consolidated	
	31 Dec 2021 \$'000	30 June 2021 \$'000
Current liabilities		
Trade payables	5,392	5,466
Commissions payable	1,699	1,699
Other payables and accruals	2,408	5,458
	9,499	12,623
Non-current liabilities		
Commissions payable	1,292	917
	10,791	13,540

Note 10. Issued capital

	Consolidated			
	31 Dec 2021 Shares	30 June 2021 Shares	31 Dec 2021 \$'000	30 June 2021 \$'000
Ordinary shares - fully paid	117,711,354	116,911,275	136,200	135,413

Details	Date	Shares	\$'000
Balance	1 July 2021	116,911,275	135,413
Shares issued on exercise of options	30 September 2021	670,764	-
Shares issued on exercise of options	12 October 2021	129,315	9
Transfer from share-based payment reserve on exercise of options			778
Balance	31 December 2021	117,711,354	136,200

Note 11. Reserves

	Consolidated	
	31 Dec 2021 \$'000	30 June 2021 \$'000
Foreign currency reserve	(659)	(660)
Share-based payments reserve	3,395	3,223
	2,736	2,563

Note 11. Reserves (continued)

Movements in reserves

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

Consolidated	Foreign currency \$'000	Share-based payments \$'000	Total \$'000
Balance at 1 July 2021	(660)	3,223	2,563
Foreign currency translation	1	-	1
Share-based payments	-	950	950
Transfer to share capital	-	(778)	(778)
Balance at 31 December 2021	(659)	3,395	2,736

Note 12. Dividends

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

Note 13. Fair value measurement

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 14. Earnings per share

	Consolidated	
	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Loss after income tax attributable to the owners of Whispir Limited	(6,994)	(3,456)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	117,302,881	104,036,445
Weighted average number of ordinary shares used in calculating diluted earnings per share	117,302,881	104,036,445

	Cents	Cents
Basic Earnings Per Share	(5.96)	(3.32)
Diluted Earnings Per Share	(5.96)	(3.32)

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 has maintained that performance rights, rather than share options, will be granted under the Long-term incentives ('LTI') plan.

The share-based payment expense for the half year of \$950k (31 December 2020: \$888k) includes existing and new grants made under the LTI plans.

During the period, 218,625 performance rights were granted to the Group's CEO following the approval of shareholders at the Company's Annual General Meeting on 24 November 2021.

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.

The weighted average fair value of the performance rights granted under LTI during the financial half year was \$1.71 (31 December 2020: \$3.05).

Note 16. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 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.

Directors' Declaration

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In the directors' opinion:

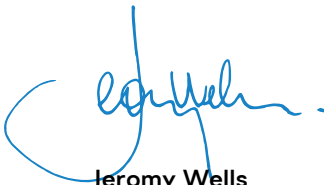
- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 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
22 February 2022

Section 9.

Independent Auditor's Report to the Members of Whispir Limited

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Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

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Fax: +61 3 8650 7777
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Independent auditor's review report to the members of Whispir Limited

Conclusion

We have reviewed the accompanying half year financial report of Whispir Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 31 December 2021, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 half year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the half year ended on that date; and
- b. 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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities 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 2021 and 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 stylized blue ink signature of 'Ernst & Young'.

Ernst & Young

A stylized blue ink signature of 'David McGregor'.

David McGregor

Partner

22 February 2022

Section 10.

Corporate Directory

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Corporate Directory

Directors

Brendan Fleiter – Chairman

Jeromy Wells

Aled Miles

Sarah Morgan

Sara La Mela

Scott Tong

Company secretary

Sophie Karzis

Registered office and Principal place of business

Level 15, 360 Collins 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

Ernst & Young

8 Exhibition Street,
Melbourne, Victoria, 3000
Australia

Stock exchange listing

Whispir Limited shares are listed on the
Australian Securities Exchange (ASX code: WSP)

Website

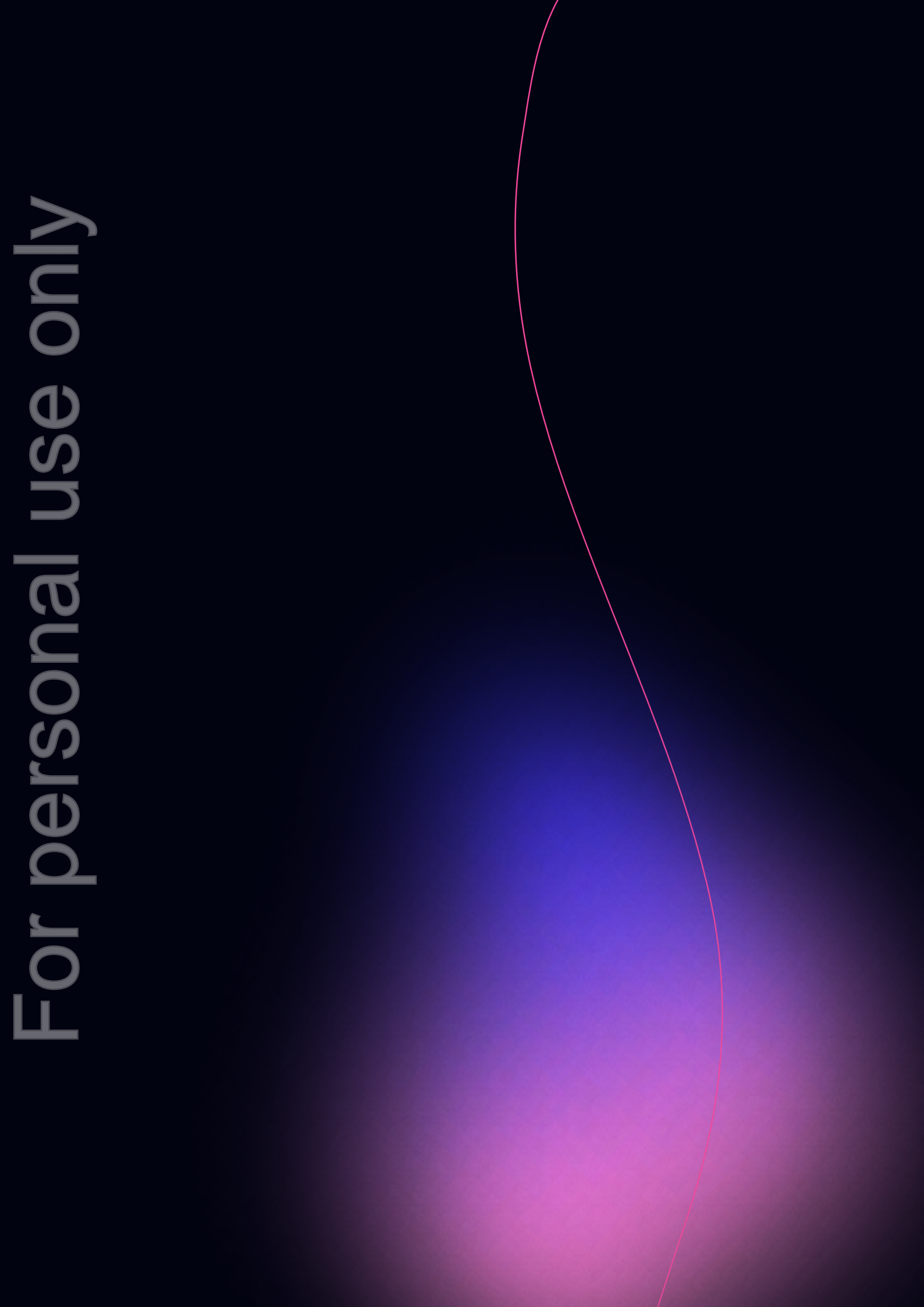
www.whispir.com

Corporate Governance Statement

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.

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.

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